DOCUMENT RESUME

ED 406 056 PS 025 304

TITLE	Hearing on the Contract with America: Nutrition, the Local Perspective. Hearing before the Committee on Economic and Educational Opportunities. House of Representatives, One Hundred Fourth Congress, First Session.
INSTITUTION	Congress of the U.S., Washington, DC. House Committee on Economic and Educational Opportunities.
REPORT NO	ISBN-0-16-047453-1
PUB DATE	1 Feb 95
NOTE	176p.; Serial No. 104-23. Document contains several pages of small print.
AVAILABLE FROM	U.S. Government Printing Office, Superintendent of Documents, Congressional Sales Office, Washington, DC 20402.
PUB TYPE	Legal/Legislative/Regulatory Materials (090)
EDRS PRICE	MF01/PC08 Plus Postage.
DESCRIPTORS	Block Grants; Breakfast Programs; Federal Legislation; *Federal Programs; Federal State Relationship; Financial Support; Hearings; Lunch Programs; *Nutrition
IDENTIFIERS	Congress 104th; *Contract with America; Nutrition Services; Older Americans Act 1965; Personal Responsib Work Opportun Reconcil Act 1996; Senior Nutrition Program; Special Milk Program; Women Infants Children Supplemental Food Program

ABSTRACT

This hearing transcript presents testimony on the effects of placing federal nutrition programs in state block grants as required by the Personal Responsibility Act, the welfare bill contained in the "Contract with America." Witnesses testified that federal food programs such as Women Infants and Children (WIC), the Senior Nutrition Program, and school lunch, breakfast, and milk programs, are effective; diminished federal support for nutrition programs will create an unfunded liability for states, localities, and private charities; there are problems in predictability and responsiveness of funding levels in a block grant approach to nutrition programs; changes in nutrition programs could result in greater efficiency; and there are problems in proposed capped entitlement approaches. Testimony was offered by: (1) representatives of school districts; (2) the president of a food research center; (3) a director of a hospital WIC program; (4) the executive director of a senior citizens council; (5) the director of a nutrition services program; and (6) representatives from Missouri, Illinois, Pennsylvania, Texas, Rhode Island, and California. (KDFB)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

PS

HEARING ON THE CONTRACT WITH AMERICA: NUTRITION, THE LOCAL PERSPECTIVE

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)
X This document has been reproduced as received from the person or organization originating it.
☐ Minor changes have been made to improve reproduction quality.
• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

ED 406 056

HEARING

BEFORE THE

COMMITTEE ON ECONOMIC AND EDUCATIONAL OPPORTUNITIES HOUSE OF REPRESENTATIVES

ONE HUNDRED FOURTH CONGRESS

FIRST SESSION

HEARING HELD IN WASHINGTON, DC, FEBRUARY 1, 1995

Serial No. 104–23

Printed for the use of the Committee on Economic and Educational Opportunities

PS 025304

BEST COPY AVAILABLE

U.S. GOVERNMENT PRINTING OFFICE
92-973 CC WASHINGTON : 1995

For sale by the U.S. Government Printing Office
Superintendent of Documents, Congressional Sales Office, Washington, DC 20402
ISBN 0-16-047453-1

COMMITTEE ON ECONOMIC AND EDUCATIONAL OPPORTUNITIES

WILLIAM F. GOODLING, Pennsylvania, *Chairman*

THOMAS E. PETRI, Wisconsin
MARGE ROUKEMA, New Jersey
STEVE GUNDERSON, Wisconsin
HARRIS W. FAWELL, Illinois
CASS BALLENGER, North Carolina
BILL E. BARRETT, Nebraska
RANDY "DUKE" CUNNINGHAM, California
PETER HOEKSTRA, Michigan
HOWARD P. "BUCK" McKEON, California
MICHAEL N. CASTLE, Delaware
JAN MEYERS, Kansas
SAM JOHNSTON, Texas
JAMES M. TALENT, Missouri
JAMES C. GREENWOOD, Pennsylvania
TIM HUTCHINSON, Arkansas
JOSEPH K. KNOLLENBERG, Michigan
FRANK D. RIGGS, California
LINDSEY O. GRAHAM, South Carolina
DAVE WELDON, Florida
DAVID FUNDERBURK, North Carolina
MARK SOUDER, Indiana
DAVID McINTOSH, Indiana
CHARLIE NORWOOD, Georgia

WILLIAM (BILL) CLAY, Missouri
GEORGE MILLER, California
DALE E. KILDEE, Michigan
PAT WILLIAMS, Montana
MATTHEW G. MARTINEZ, California
MAJOR R. OWENS, New York
THOMAS C. SAWYER, Ohio
DONALD M. PAYNE, New Jersey
PATSY T. MINK, Hawaii
ROBERT E. ANDREWS, New Jersey
JACK REED, Rhode Island
TIM ROEMER, Indiana
ELIOT L. ENGEL, New York
XAVIER BECERRA, California
ROBERT C. "BOBBY" SCOTT, Virginia
GENE GREEN, Texas
LYNN C. WOOLSEY, California
CARLOS A. ROMERO-BARCELO, Puerto Rico
MEL REYNOLDS, Illinois

JAY M. EAGEN, *Staff Director*
GAIL E. WEISS, *Minority Staff Director*

CONTENTS

	Page
Hearing held in Washington, DC, February 1, 1995	1
Statement of:	
Boyd W., Boehlje, President, Pella Iowa School Board, Pella School District	45
Fersh, Robert J., President, Food Research and Action Center	1
Hurt, Marilyn, Food Service Supervisor, School District of La Crosse	74
Lukefahr, James L., Medical Director, Driscoll Children's Hospital WIC Program	36
Taylor, Joan, Executive Director, DuPage Senior Citizens Council	55
Temple–West, Patrick F. E., Director, Nutrition Development Services, Archdiocese of Philadelphia	64
Prepared statements, letters, supplemental materials, et cetera:	
Boehlje, Boyd W., President, Pella Iowa School Board, Pella School District, prepared statement of	48
Clay, Hon. William L., a Representative in Congress from the State of Missouri, prepared statement of	169
Additional material submitted for the record by	87
Fawell, Hon. Harris W., a Representative in Congress from the State of Illinois, additional material submitted for the record by	55
Fersh, Robert J., President, Food Research and Action Center, prepared statement of	6
Additional material submitted for the record by	98
Goodling, Hon. William F., a Representative in Congress from the State of Pennsylvania, additional material submitted for the record by	162
Green, Hon. Gene, a Representative in Congress from the State of Texas, prepared statement of	170
Hurt, Marilyn, Food Service Supervisor, School District of La Crosse, prepared statement of	77
Kennedy, Hon. Patrick J., a Representative in Congress from the State of Rhode Island, prepared statement of	170
Lukefahr, James L., Medical Director, Driscoll Children's Hospital WIC Program, prepared statement of	38
Martinez, Hon. Matthew G., a Representative in Congress from the State of California, additional material submitted for the record by	129
Taylor, Joan, Executive Director, Dupage Senior Citizens Council, prepared statement of	57
Temple–West, Patrick F. E., Director, Nutrition Development Services, Archdiocese of Philadelphia, prepared statement of	67

HEARING ON THE CONTRACT WITH AMERICA: NUTRITION, THE LOCAL PERSPECTIVE

WEDNESDAY, FEBRUARY 1, 1995

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ECONOMIC AND
EDUCATIONAL OPPORTUNITIES,
Washington, DC.

The committee met, pursuant to call, at 9:30 a.m., Room 2175, Rayburn House Office Building, Hon. William F. Goodling, Chairman, presiding.

Memebers present: Representatives Goodling, Gunderson, Fawell, Ballenger, Barrett, Cunningham, Hoekstra, McKeon, Castle, Meyers, Talent, Johnson, Greenwood, Hutcinson, Knollenberg, Riggs, Weldon, Funderburk, Souder, Norwood, Clay, Miller, Kildee, Martinez, Owens, Sawyer, Payne, Reed, Roemer, Engel, Green, Woolsey, and Reynolds.

Staff present: June L. Harris, Education Coordinator; Kimberly Barr, Legislative Intern; and Laura Geer, Staff Assistant.

Chairman GOODLING. The purpose of today's hearing is to hear from individuals who work with all of our important nutrition programs. I will call you to the table at this time.

Robert J. Fersh is the President of Food Research and Action Center, located in DC.

Boyd Boehlje is a local school board member in Pella, Iowa.

Marilyn Hurt is the Director of Job Nutrition in LaCrosse, Wisconsin.

Dr. James Lukefahr has been a practicing pediatrician for 14 years, serves as the medical doctor of the Driscoll Children's Hospital WIC Program in Corpus Christi, Texas.

Joan Taylor is the Executive Director of the DuPage Senior Citizens Council in DuPage, Illinois.

And Patrick Temple-West is the Director of Nutrition Development Service, an office of the Roman Catholic Archdiocese of Philadelphia.

If you will all come around the table, we will get started promptly. My colleagues say they don't get enough time to ask questions. Can you help by summarizing your testimony so we can get at you with questions.

We will start with Robert Fersh.

STATEMENT OF ROBERT J. FERSH, PRESIDENT, FOOD RESEARCH AND ACTION CENTER

Mr. FERSH. Mr. Chairman, Members of the committee, thank you very much for this opportunity to testify this morning.

Mr. Chairman, we have come to work with you under the difficult constraints we all face to try to make sure that nutrition programs in this country continue to serve the populations who are vulnerable and in need of assistance.

We, as FRAC, do not come with a blank slate. We have a long history of working with these programs. We would like you to think of us as an organization with its fingers on the pulse of so many actors involved in this world. Whether it is State and local administrators, WIC directors, recipients, the business community, we are in touch with everyone involved in this community, and we think it is terribly important that all the insights and knowledge that we can glean from them be presented to you so you can make important and practical and sensitive decisions that affect the status of the most vulnerable Americans.

We know that you all share our goals, that vulnerable populations, the children, elderly and the poor have adequate nutrition. And this committee has a long history of bipartisan support. And no one is more responsible than you, Mr. Chairman, for ensuring that there is bipartisan support for nutrition programs in this country.

We note the process you face is not easy. There are political pressures to act very quickly. There are budget pressures that may prevent you from making—there are budget pressures that I think can limit the choices you make as you move forward.

I appreciate having my entire statement in the record. In my limited time this morning, let me just articulate a few themes that we can explore in greater detail in questions.

Let me point out, earlier in my testimony I mentioned I was in Wichita, Kansas, two weeks ago. I had a number of remarkable experiences while I was there. I had the honor of having dinner with eight State legislators, six Republicans, two Democrats, including the current Speaker of the House of the Kansas legislature, a Republican, and his Republican predecessor.

The next morning I had the honor of meeting with the new Republican Governor of Kansas. I can tell you that my overwhelming impression of those conversations was that people out there need time to think about this. They really don't understand what is going on here. They are deeply concerned about what could happen. And I urge you above all not to rush decisions before you fully have heard from people out in the field.

Perhaps nothing more important happened in Kansas than an incident that happened in a press conference in which I participated. That morning the principal of an elementary school where we had a press conference on child and hunger made an impromptu appearance before us at the event. She described an incident that happened just minutes before in her office. And by the time she finished, there was a barely a dry eye in the entire room.

That morning a child came into her office crying, wholly unsettled. Trish Peters, the assistant principal, calmed her, then reached for some food she keeps in her office for such occasions. Within minutes the child recovered and joined her classmates, ready to learn.

She went on to tell how important breakfast and lunch programs are to the children in her school. For some reason the child in her

office that morning had missed breakfast. She then made clear that in the absence of the breakfast program, this problem would be multiplied many times over on a daily basis.

I can tell from your years of experience talking to people—and you have all heard these witnesses for years—that this is not an isolated event. We were told by teachers, principals and school nurses that this is a daily occurrence across the country, and I suspect all of you have heard similar testimony from people who operate all the Federal nutrition programs, which are indeed community nutrition programs, which local communities have chosen to operate.

In our view, these programs represent federalism working at its best. They were voluntary programs that State and local governments, education districts, and community organizations are choosing to utilize in increasing numbers all the time.

These programs create no unfunded mandate. To the contrary, the Federal food assistance dollars often serve as seed money which reference additional contributions of State, local, and private money as well as volunteer time to deliver a range of integrated services for children, the elderly and others.

If Federal support is diminished or the current structure weakened, we fear that an unfunded liability will be created for States and localities and private charities.

Mr. Chairman, throughout my testimony, I cite lots of other examples. I want to just summarize one other real-life example of a program that is working and why the nutrition programs are so essential.

Last May I had the opportunity to visit a program called LA's BEST in Los Angeles. It is a program started under Mayor Bradley, now run out of Mayor Reardon's office with his very active support.

Every day in Los Angeles, 245 days a year, from 2:30 p.m. to 6:00 p.m., 4,500 low-income elementary school youngsters receive after-school care. There have been several evaluations in the seven-year history of this program that document that LA's BEST includes scholastic performance, fosters behavior changes, decreases crime and improves the children's sense of safety in their environment. As Ms. Sanger, Carla Sanger, the Director says, "We are winning the war of the gangs for these kids' attention."

What Carla Sanger will tell you is that the meal supplement provided after school is the key to organizing this program. It is what brings children in the door. It is what settles them down. It is what allows them to do their homework. And the absence of secure funding for this program, she fears attendance may go down and the abilities to expand and reach thousands of L.A. inner-city youngsters will be diminished.

The bottom line of my testimony is that the Federal food programs work. They work individually and they work as a system. They have been well designed. You have done your job well.

I want to say a special word for the WIC program. I think there is no program in the history of the Federal Government that has been more thoroughly evaluated with better success than WIC.

WIC reduces the fetal death rate by 20 to 30 percent. It reduces infant deaths. It reduces low birth weight. It reduces premature

births and other maladies. It is associated with the increased use of prenatal and pediatric health care, increased immunization rates and increased potential cognitive development. It is associated with immense Federal and State savings.

For every dollar spent on the prenatal component on care in this country, we save three to four dollars. Here the issue of converting to a different kind of approach, maybe a block grant, puts at risk the success of this program, not only the success for the women in infants and children, but also puts as risk the savings we hope to achieve.

So I urge you to look closely on this program. I know there will be other witnesses on this program as well as the school lunch and breakfast programs this morning.

But I want tc highlight that program because I sense it is at great risk. For me this is really hard to explain, given that it is a program that doesn't need to be reinvented.

Mr. Chairman, on page 8 of my testimony I go through a series of changes that we would recommend for these programs. I will not detail them today.

I don't come before you to say the programs are perfect. There are changes that should be made in these programs, there are consolidations that can be made, increased flexibility that can be achieved for the States. There are many, many changes we can do, and we would love to work together with you on them. I have highlighted those kinds of changes.

Later in my testimony I do go through in detail problems that we foresee with the block grant. We think basically any approach that you take should meet a couple of fundamental standards. I am speaking now on the bottom of page 9 of my testimony.

Will all individuals currently eligible and in need of assistance receive the same level assistance?

What assurances are there that new approaches will work as well or better than the current system in meeting the objectives of nutrition programs?

We think there are huge issues with any block grant approach in terms of predictability and responsiveness of funding levels. We have great concern that there is unmet need that block grants would not respond to. We have some concerns based on my conversations with CEOs, business people, on the duplication of standards within States. We have concerns about false impressions on how much money can be saved through administrative costs.

Unless we are talking about consolidating all programs into one, unless we are talking about eliminating feeding kids through schools, delivering WIC benefits through the health programs, which is so essential to the success that they be linked with health service, unless we are talking about eliminating some safety net program like food stamps, we are going to continue to have many different programs that ought to be run out of different places, and we believe that the administrative savings that might be achieved will be very small, and nowhere close to the cutbacks that are being talked about in terms of block grants.

Let me conclude by again stating our willingness, our openness and our desire to work with you in the difficult weeks you face ahead. We believe that there is a strong movement within this

country for some changes and want to be responsive to that. We believe there is strong opinion that welfare reform ought to move forward.

We strongly believe, however, that the food assistance programs should not be part of welfare reform. They are programs that have been uniquely successful, have been documented to do so. Their success has been well documented.

I am attaching, as part of my testimony, a statement signed now by hundreds of organizations across the country under the banner of "Save Our Nutrition Programs Now." These groups are joining in incredible numbers every day to say that we hope that you will go slow on this, and to express the deep concern about the advisability of eliminating the Federal food assistance programs.

If, in fact, your goals are to save money, we can reluctantly help you achieve those goals. If the goals are to increase flexibility and streamline administration, we believe there is tremendous areas where people from across the spectrum can work together.

But if part of the notion is that we need to back off from the Federal commitment to nutrition, and for some I think even a sense that we need to be doing away with these programs, that is where we draw the line.

We believe that we need to continue to work on developing a system that is responsive to people in need, that will not throw out the baby with the bath water, and we hope that you, with the wisdom of the entire Congress and the witnesses you brought together, can make these decisions very wisely in the coming weeks.

Thank you very much.

[The prepared statement of Mr. Fersh follows:]

F·R·A·C

FOOD RESEARCH
& ACTION CENTER

Testimony of Robert J. Fersh, President,
Food Research and Action Center, before the
Committee on Economic and Educational Opportunities
February 1, 1995

I. Introduction

Thank you, Mr. Chairman, Representative Clay, and Members of the Committee, for the opportunity to testify today. I am accompanied by Edward Cooney, Vice President and Deputy Director of the Food Research and Action Center, a face that is very familiar to many of you. As President of FRAC, I speak on behalf of a national, non-profit, non-partisan organization dedicated to alleviating domestic hunger. We serve as the coordinating agent for hundreds of national, state, and local organizations involved in the Campaign to End Childhood Hunger. My testimony will focus on food assistance issues before the committee.

At FRAC, we regularly are in touch with a broad range of individuals and groups concerned with the nutritional status of Americans. Our testimony today will reflect input from governors, state legislators, the business community, nutritionists, educators, health providers, state and local program administrators, program beneficiaries, and many others. Our hope is to provide important information and insight for the crucial deliberations your committee faces in the coming weeks.

We appreciate the enormity of the task you face. We know well this committee's history of bipartisan support for the mission of these programs--to feed school children; provide nutrition, health care and counseling services to poor pregnant women and their children; prepare meals for the elderly; and provide food for Head Start and other child care facilities. No one has been more instrumental than you, Mr. Chairman, in building and maintaining a bipartisan approach on these issues.

As you weigh what could be a dramatic change in approach to these programs--an approach that could shrink and potentially destabilize these programs you have championed, an appropriate place to begin is with an evaluation of their effectiveness.

1875 Connecticut Ave., NW
Suite 540
Washington, DC 20009
TEL: (202) 986-2200
FAX: (202) 986-2525

II. Overview of the Programs

Two weeks ago today, I was in Wichita, Kansas, for the release of a statewide study of childhood hunger sponsored by the local food bank and an interfaith organization. The event was held at Colvin Elementary School and the assistant principal, Trish Peters, was an impromptu participant in the proceedings.

Ms. Peters described an incident that had occurred just minutes before. A child was in her office, crying and wholly unsettled. Ms. Peters calmed her and then reached for some food she keeps in her office for just these occasions. Within minutes the child recovered and rejoined her classmates, ready to learn.

Ms. Peters went on to say how important the school breakfast and lunch programs are to the success of her school. Colvin Elementary serves primarily low-income children, and for some reason, the child in her office that morning had missed breakfast. Ms. Peters made clear that, in the absence of the breakfast program, this problem would be multiplied many times over on a daily basis.

This incident in Wichita is not an isolated event. We are told by teachers, principals and school nurses that this is a daily occurrence across the country.

Consider this testimony provided in October 1992 by Cynthia Walters, a kindergarten teacher at Robbins Elementary School in Trenton, New Jersey.

> This is my second year supervising the Breakfast Program, and I have witnessed the difference a healthy breakfast makes in a student's performance in school. Children who participate in the program come to my class, not just alert and ready, but *eager* to learn.
>
> The staff at school always realized the importance of a good breakfast. Long before this program began, many of us took it upon ourselves to feed hungry students. We kept foods like crackers and peanut butter on hand in our classrooms. Children can't concentrate on learning when their minds are on how soon lunch will be served.
>
> I expected to see a change in students' learning after the program began, but I was surprised that the School Breakfast Program also provided other benefits. We watched children who had

> always been chronically late, now arriving on time anxiously waiting for breakfast to begin.
>
> The art of conversation between students of all ages, races and religions began to unfold. On any given day there is dialogue ranging from school gossip to world events. Through this program teachers and other staff also get to talk informally with students and get to know them better.
>
> The School Breakfast Program gives the schools the opportunity to get the community more involved. We not only feed school-aged children, but also many younger siblings and parents. For some adults this provides an important first step in more active involvement in their children's academic life. The interaction that occurs in the cafeteria before school carries over to the classroom and to the home.

Or, consider this story we recently heard from a day care center in New Brunswick, New Jersey, that participates in the Child and Adult Care Food Program:

> Four-year old Tabitha arrived at the day care center on her first morning there after a one-week Christmas break. The moment she walked into the center, her first word to the director, Mr. Harris, were, "When can I get my hot lunch?" This is an indication of how important CACFP-funded meals are to preschool children.

Similar testimony can and has been provided by people involved in the WIC program; people who feed children in child care centers, family day care homes, and after school settings; and people who care for the elderly. What they tell us is what you already know: children who begin their day with a balanced meal and receive a nutritious lunch are more successful in school; mothers who enjoy a proper diet during pregnancy give birth to healthier babies; elderly people are less frail, less isolated and are more likely to remain independent and stay out of institutional care facilities longer when they can eat a nutritious meal each day in a social setting; and Head Start centers and other child care providers are far more successful in their missions if children in their care are properly fed.

Beyond the anecdotal evidence is a wealth of statistical and analytical information that supports what people on the front lines are telling us. The bottom line is that the individual food programs work and they work together as a system.

Thirty years ago, strong evidence of widespread hunger and undernutrition emerged in this country. The federal government already had established the National School Lunch Program as a matter of national security in 1946. Now it stepped in again, supported by both Republican and Democratic administrations and bipartisan coalitions in Congress, to address this problem in partnership with state and local governments and community-based organizations. Approaches were designed for various vulnerable populations and the nutritional status of Americans has improved dramatically.

Overall, the effect has been:

- A significant decrease in growth stunting (low height for age), a key measure of chronic undernutrition.
- A reduction in the prevalence of anemia.
- An improvement in dietary intake.

While problems of hunger and undernutrition remain, the federal programs have made an enormous difference. These programs represent federalism working at its best. They are voluntary programs that state and local governments, education districts and community organizations are choosing to utilize in increasing numbers all the time. Over ninety percent of our nation's schools offer the school lunch program because local school boards, administrators, and communities recognize its effectiveness and value. Programs like school lunch have appropriate national standards that allow flexible local implementation.

These programs create no "unfunded mandate". To the contrary, the federal food dollars often serve as "seed money," which leverages additional contributions of state, local and private money and volunteer time to deliver a range of integrated services for children, the elderly and others.

Hunger is a problem that must be solved at both the national and community level. The federal government has provided a means for local citizens to forge appropriate solutions. If these programs are to be substantially reformed, we must take care not to create an "unfunded liability" in local communities across the country. Contrary to popular misconceptions, state and local governments and private charities indicate emphatically that they are in no position to pick up the slack should the federal commitment of resources and leadership be diminished.

III. Food Programs as Empowerment Tools

It also is important to understand that these food programs are part of a larger whole--they are integral to strategies to improve the long-term prospects for children's lives that go far beyond their nutritional status. The WIC program itself embodies this, with the integration of prenatal and pediatric care, nutrition counseling, and nutrition assistance. The 1994 Carnegie Study of Children in Family Child Care and Relative Care reported that 87 percent of the family child care homes considered to be providing good quality child care participated in the CACFP. There are many other examples:

- Carla Sanger directs an after school program known as LA's BEST. This program serves about 4,500 inner city elementary school children daily, 245 days a year. The program operates 2:30-6:00 pm in twenty schools, during which time the children do school work, play sports, learn to use computers and engage in artistic and cultural activities. Independent evaluations document that LA's BEST improves scholastic performance, fosters positive behavior changes, decreases crime and improves the children's sense of safety in their environment. As Ms. Sanger says, "We are winning the war with the gangs for these kids' attention."

  What Ms. Sanger also would tell you is that the meal supplement provided by the Child and Adult Care Food Program to children when they arrive is critical to her success. It draws children into the program, provides them with the extra nutrition they need, and allows them to focus on the after school enrichment activities. On January 17, 1995, she wrote to Senator Richard Lugar:

  > "There is no question that without federal reimbursement for food, this important component of the after school programs will be diminished or eliminated, and likely impact the daily attendance of children who so desperately need and benefit from after school programs."

  Without the assurance of federal funding for a snack, it will be very difficult for Ms. Sanger to reach her goal of expanding to fifty schools and serving 10,000 children a day.

- In Hoquiam Park, Washington, the Parks and Recreation Board works with the school district, police and fire associations, and a variety of civic clubs to

provide a summer recreation program to over 200 children a day. The community has pieced together crime prevention funds, AmeriCorps participants, private money and the USDA Summer Food Program to make the program work. Kristi Earley, Program Director, says the meal served is the foundation for the program and helps draw the high daily attendance. A local police sergeant says the program stops children from having to steal to eat. The summer program has been so successful in organizing activities for low-income youth that it has led to a year-round after school program.

- In Pittston, Pennsylvania, the school system effectively combined a reading program with school breakfast. Known as the PAC Program (for Pittston Area Capable), children from grade four and up volunteer to read to younger children after they finish their school breakfast. The younger children are engaged in a learning activity that maintains their interest and requires little supervision. An interesting side effect of the program has been to make participation in the School Breakfast Program more popular and resolved many school officials' initial concerns about securing supervision for both participants and non-participants in the School Breakfast Program.

  Much to the surprise of both teachers and administrators, all of their older students relish the opportunity the program offers to demonstrate leadership and support as role models for younger students. This attitude has prevailed among students previously thought to have behavior problems, as well as those with reading difficulties.

IV. Individual Programs--Achievements and Improvements

Each of the federal food assistance programs makes an enormous contribution and has achieved documented success:

- The WIC Program serves about 7 million Americans a month, including five million infants and children and 2 million pregnant or post-partum women. The documentation of WIC's success is unparalleled. WIC reduces the fetal death rate by 20 to 33 percent, infant deaths, low birth weight, premature births and other maladies. WIC is associated with increased use of prenatal and pediatric health care, increased immunization rates, and potentially increased cognitive development. Various studies suggest that for each dollar spent on pregnant women in WIC, $3 to $4 in health care and other costs are averted.

- The National School Lunch Program serves about 26 million school children a day, including over 13 million from low-income households. Studies show that school lunch provides these children with one-third to one-half of their daily nutrient intake.

- The School Breakfast Program serves about 6 million children a day, of whom 87 percent come from low-income homes. Studies show that school breakfast is associated with higher performance in standardized test scores, and reduced tardiness and absenteeism. Teachers report far greater attentiveness in school.

- The Child and Adult Care Food Program (CACFP) serves about 2 million children a day, approximately half of whom come from low-income families. The 1994 Carnegie report, **Starting Points: Meeting the Needs of Our Youngest Children**, documents that the functioning from preschool through adulthood: "...hinges, to a significant extent, on their experiences *before* the age of 3." USDA studies have shown that CACFP improves the nutritional value of meals eaten by preschoolers in child care settings. (see attached CACFP Sponsors Forum position statement)

- The Summer Food Program provides meals to about 2 million children a day during the summer months. Virtually all participants are low income. Summer Food provides one-third of children's Recommended Daily Allowances for key nutrients.

- Elderly feeding programs serve 2.5 million people in congregate meal programs in senior centers, churches, and community locations. They also reach 820,000 frail elders with home-delivered meals. About half of the beneficiaries of these programs are low income. Along with providing older Americans with nutritious meals, these programs are a gateway to other services for seniors. Research on these programs demonstrates that participating improves the nutritional intakes of older people. It also shows that the negative impact of low income on diet is substantially ameliorated by these programs.

- Although not in this committee's jurisdiction, the Food Stamp Program is a central part of this nation's nutrition assistance. Currently about 27 million Americans receive food stamps. About 97 percent of all benefits go to households at or below the poverty line; over half of all benefits go to families with incomes below *half* the poverty line. Children comprise 51 percent of all participants and children and their families receive 82 percent of all benefits.

7

About 16 percent of all households have an elderly member. Studies show that food stamps increase the nutritional quality of diets of participants by 20 to 40 percent.

- TEFAP has provided direct assistance to millions of people through the distribution of commodities. These vulnerable individuals include those not served by the Food Stamp program and many Food Stamp recipients who run out of food before the end of the month. TEFAP commodities account for 12.9 percent of the food distributed through the Second Harvest Network of food banks. Children and the elderly make up a significant portion of emergency food clients. Recent unemployment in the household is the major reason clients of food pantries say they need this additional assistance.

This information is not provided to say the programs are perfect. We at FRAC have long advocated changes to improve their effectiveness and would be pleased to work with you to refine these. Here are examples of reforms we would support:

- We support thoughtful efforts to consolidate programs operated out of schools. There is no need for multiple application forms, eligibility requirements, and reimbursement rates if a school is operating several programs to feed essentially the same children at different times of the day or year. There can be much greater coordination between the School Lunch and Breakfast Programs, and that same information and bookkeeping process could be utilized if a school serves a snack to children after school hours through the Child and Adult Care Food Program. Similarly, although there are some trickier issues here, we believe a streamlining of paperwork could occur if a school chooses to provide meals through the Summer Feeding Program when school is out. The bottom line is that there is great potential to streamline and consolidate programs so that schools can operate one basic nutrition program rather than three or four.

- While there must be adequate federal accountability over child nutrition funds, we believe the degree of auditing that occurs in the schools and other institutions must be eased. The level of detail and oversight reflects very little trust in state and local governments. We believe that some acceptable standards can be set without the kind of detailed oversight that has been built up and retained under the aegis of both Republican and Democratic administrations in recent years.

- In addition to schools, we believe that there should be a consolidation of nutrition programs offered by various non-profit institutions and a simplification of paperwork for them. Some institutions, such as churches, Boys Clubs or Girls Clubs, YMCA's or YWCA's, may be utilizing the Child and Adult Care Food Program and the Summer Food Program to feed different students at different points in the year. We believe they would welcome a consolidation of paperwork and the coordination of reimbursements.

- There are a series of other more detailed proposals we would be willing to submit on the general issue of bookkeeping and paperwork in these programs. Again, the level of detail and the level of oversight is excessive, in our view.

- In the food stamp program, we support changes to speed up the implementation of Electronic Benefits Transfer (EBT) systems. EBT can help track and prevent fraud and also can make food stamps more efficient. We also support coordination of key definitions of income and assets with the AFDC program, simplification of the application process for certain households, and coordination of the employment and training program with AFDC and other employment and training programs.

I am confident there are other ideas that can be put forward to ease the administration of the programs that are not listed here. Needless to say, the cumulative effect of all these changes would not only ease administration for state and local officials, but would be of benefit to the ultimate recipients, mainly children. If low income families do not have to fill out multiple applications, it should ease children's participation in a variety of programs.

V. Concerns with a Block Grant Approach

As Congress reexamines many national programs and the appropriate roles for different levels of government, we urge you to keep in mind two fundamental considerations for your decision-making process:

- Will all individuals currently eligible and in need of assistance receive the same level of service?

- What assurances are there that new approaches will work as well or better than the current system in meeting the objectives of the nutrition programs?

If these questions cannot be answered satisfactorily, we urge you to resist making changes that may, at best, lead to uncertainty and at worst, to a major step backward in this country's commitment to the health and nutritional status of all its members.

While the details of various proposals vary, we view with alarm the concept of repealing all current food assistance programs and replacing them with block grant funding. Our concerns range from a loss of service to vulnerable people to an unnecessary impediment to interstate commerce. Here are our concerns:

1) Predictability and Responsiveness of Funding

The current funding mechanisms for most nutrition programs allow state and local program administrators to know well in advance how much funding they will receive per individual who qualifies for services. Under a block grant, the level of federal funding, as well as the allocation within a state, may be uncertain. This can create havoc with the need of local administrators to plan.

Even if predictable funding could be provided, a block grant approach is likely to be far less equitable and responsive than the current system.

- No matter what funding formula is utilized to distribute money to the states, it will be out of date. Each year, there are demographic changes within states due to unemployment levels, population growth, aging and other factors. It is very difficult to devise a formula that takes these into account adequately. Over time inequities among states will grow.

- Block grants do not respond well to changes within a state or local community within a funding year. If a state experiences a major recession, it will find it difficult to respond to increased demand for school lunch and food stamp assistance--especially at the very time its own state revenues are down. The result may well be waiting lists for assistance or across the board cutbacks in benefits or in the quality of meals served.

2) Response to Unmet Need

By freezing or cutting funding levels, block grants remove from state and local governments the choice they now have to expand certain nutrition services. For example, from 1989 to 1994, Kansas increased its participation in School Breakfast

from 9,000 to over 60,000 children a day. Such a choice would be impossible under a block grant approach, unless the state could find its own resources or cut other programs.

Similarly, many states are now expanding after school services to help latch-key and other children. Under a block grant, they could not readily access funding for after school snacks, a potentially critical ingredient in the success of such programs.

3) Administrative Savings

We are aware of the argument that block grants will create such large administrative savings through the consolidation of programs that beneficiaries will not be hurt. We urge close examination of this issue because we believe there are limited savings to be realized.

First, administrative costs are a relatively small proportion of all food program costs. Even if a significant portion of administrative savings could be achieved, little money would be freed up for benefits. If programs are turned back to the states, they still will have to maintain adequate screening and accountability systems.

Furthermore, unless we envision ending meal service in schools, health and nutrition benefits through a WIC-type program, hot meals for the elderly, and a general program of assistance like food stamps, states will still have to operate multiple programs through various agencies. The result will be relatively little savings in administration for them. Total federal costs of administering food assistance programs equal less than one percent of the programs' overall budget.

4) Interstate Issues

Many new problems would be created by 50 separate food assistance approaches in the states.

- Right now food manufacturers can produce school and child care meals under a uniform national standard for portion sizes and nutritional content. If states can each set their own standards, this efficiency would be lost. Also, states would find it much harder to coordinate among themselves to standardize approaches to work with the food industry.

- People who live right on the border of a state could not be assured of the ability to use food stamps or WIC vouchers across state lines. Food retail stores which operate across states might have to set up different and costly systems in each state to deal with food stamps and WIC. (A copy of the Food Marketing Institute statement calling for national uniformity on this issue is attached to this testimony.)

- Multiple state programs could create hardship for some people instrumental in delivering our national harvest to the country. Migrant farm workers are protected by special provisions in the WIC and food stamp programs that could evaporate if each state sets up its own food assistance system.

5) Nutritional Standards

One of the keys to the success of child nutrition programs has been the establishment of nutritional standards to ensure that these programs meet their objectives. In the absence of nutritional standards, it is very difficult to gauge whether these programs are achieving their intended results. While there has been much debate about how detailed these standards should be and how they should be enforced, there is widespread agreement among program administrators, health and nutrition experts, and the food industry, that there should be national standards to help ensure adequate nutrition and effective administration in these programs.

If we move to a block grant approach, and there are no national nutrition standards, it will be very difficult for taxpayers to ensure that their dollars are being spent appropriately. How would we know how well state programs are serving their intended purposes? The absence of national standards also means that every state would have to develop its own standards for nutrition. This would seem to involve unnecessary duplication and overlap among the various states.

6) Adequacy of Funding

Related to the point above, we believe that conversion to a block grant for food assistance will inevitably lead to a loss of support for this important function. When there are fifty different state programs, especially if national nutrition standards are not present, it will be very difficult to evaluate the success of the various programs and to set appropriate funding levels. Even if some states are hugely successful and document the need for more assistance, such help may not be forthcoming if other states' performance is less stellar.

While we understand that some people believe the federal government should not be in the nutrition assistance business at all, and may find comfort in this argument, we suggest that this should be a clear and up front decision. If one believes in a continuing and responsive national role in nutrition assistance, conversion to a block grant is likely to make this far more difficult to achieve.

VI. Conclusion

Thank you very much for the opportunity to testify today. This committee has enormous responsibilities at a time of great change. It will require great wisdom to determine in what areas there needs to be fundamental change and what areas there does not. In the area of nutrition, we urge you to refrain from dismantling what has been a highly effective and highly appropriate response from the federal government to the needs of vulnerable citizens.

As you deliberate, we urge you to keep in mind a warning sounded last year by Professor Ernesto Pollitt, a leading researcher in the nutrition field. He said, "We have now learned that even moderate undernutrition, the type most frequently seen in the United Sates, can have lasting effects on the cognitive development of children." (The Link Between Nutrition and Cognitive Development in Children, Tufts University Center of Hunger, Poverty and Nutrition Policy, 1994)

In FRAC's own groundbreaking study of childhood hunger, the Community Childhood Hunger Identification Project, we found that in comparison to non-hungry children, hungry children were:

- more than three times as likely to suffer from unwanted weight loss
- more than four times as likely to suffer from fatigue
- almost three times as likely to suffer from irritability
- more than 12 times as likely to report dizziness
- more than twice as likely to have frequent headaches
- almost twice as likely to have frequent ear infections
- almost three times as likely to suffer from concentration problems; and
- almost twice as likely to have frequent colds.

With these consequences in mind, we should err on the side of ensuring that our children and other vulnerable citizens have enough to eat. As you continue to explore these issues, we believe you will find a groundswell of support to maintain current programs. I am attaching to my testimony several supporting documents, including a copy of a letter now endorsed by hundreds of organizations and individuals under the heading, "Save Our Nation's Nutrition Programs," and position statements from education officials on the nutrition program block grant.

We urge you not to rush any of your decisions. The results could well be chaos for state and local government and for vulnerable Americans. We stand ready to assist you in any way possible in your further deliberations.

January 31, 1995

Dear :

We are concerned individuals and organizations who constitute an emergency committee called **Save Our Nation's Nutrition Programs.** We are united by the following principles:

1) Meeting the needs of our most vulnerable people, including children and the elderly, should remain a high priority for the federal government. We support funding and benefit levels adequate to meet the intended purposes of our nation's health and nutrition programs.

2) Levels of support to individuals and institutions should be predictable and should be responsive to changes in circumstances.

3) Nutrition standards are important to the integrity and effectiveness of our nation's nutrition programs.

4) Our nation's nutrition programs should be well managed, including efforts to preserve program integrity.

5) Replacing current nutrition programs with a "block grant" approach raises strong concerns whether the above principles can be met.

Our nation's nutrition programs effectively meet the nutritional needs of millions of our most vulnerable citizens, regardless of the state or community in which they reside. While these programs serve Americans of all ages, the assistance is provided primarily to low-income children and elderly persons. We strongly urge the maintenance of this fundamental national safety net. Cutting nutrition assistance is simply short-sighted. When people -- particularly children -- don't eat, they cannot learn, do poorly in school, and end up, along with the elderly, in hospitals or doctor's offices, where Medicare and Medicaid pick up the tab. Savings achieved at the expense of nutrition are lost later in higher educational, criminal justice, and health care costs.

We believe improvements can and should be made in our nation's nutrition programs. Efforts to streamline program administration, coordinate benefit delivery and preserve program integrity should be encouraged. However, the basic structure and funding mechanisms of these programs should be maintained to meet the needs of vulnerable populations.

The "block grant" approach to these programs raises troubling concerns. The inherent unreliability of funding levels in block grants could undermine the continuation of child nutrition programs such as school lunch and breakfast. Local program administrators require a predictable level of funding to assure orderly program planning and continuation of benefits for those who qualify.

In addition, the block grant approach is less likely to be responsive to the increased need for assistance among needy families that might occur within a state during a given year. If there is a recession or natural disaster, states will find themselves short of resources at the very time they most need help.

We raise particular concern about the nutrition block grant included in HR4, the Personal Responsibility Act. The maximum funding level provided in this proposal would require a cutback of about $5 billion in the first year of operations alone. Over time, we fear that the reductions would grow as nutrition programs would have to compete with other funding priorities for a shrinking pot of federal "discretionary" money.

We have had a highly successful national commitment to nutritional assistance in this country. These needs cannot be met adequately through private charity or through the varying levels of commitment that state and local governments can make.

Please save our nation's nutrition programs.

SIGNEES AS OF TUESDAY MORNING, January 31, 1995

NATIONAL ORGANIZATIONS

AMALGAMATED CLOTHING AND TEXTILE WORKERS UNION
AMERICAN ASSOCIATION OF RETIRED PERSONS
AMERICAN ASSOCIATION OF SCHOOL ADMINISTRATORS
AMERICAN CANCER SOCIETY
AMERICAN DIETETIC ASSOCIATION
AMERICAN FEDERATION OF STATE, COUNTY, AND MUNICIPAL EMPLOYEES
AMERICAN FEDERATION OF TEACHERS, AFL-CIO
AMERICAN FRIENDS SERVICE COMMITTEE
ASSOCIATION OF STATE & TERRITORIAL PUBLIC HEALTH NUTRITION DIRECTORS
BREAD FOR THE WORLD
CATHOLIC CHARITIES USA
CENTER FOR LAW AND SOCIAL POLICY
CENTER FOR PUBLIC POLICY PRIORITIES
COALITION ON HUMAN NEEDS
CONGRESSIONAL HUNGER CENTER
COUNCIL OF JEWISH FEDERATIONS
COUNCIL OF THE GREAT CITY SCHOOLS
DAIRY AND NUTRITION COUNCIL, MID EAST UNITED DAIRY INDUSTRY ASSOCIATION
END HUNGER NETWORK
FOOD RESEARCH AND ACTION CENTER
FOOD CHAIN
HADLEY MEMORIAL HOSPITAL-WIC
JESUIT SOCIAL MINISTRIES, NATIONAL OFFICE
LUTHERAN OFFICE OF GOVERNMENTAL AFFAIRS, EVANGELICAL LUTHERAN CHURCH IN AMERICA
LUTHERAN PUBLIC POLICY ADVOCACY OFFICE
MAZON: A JEWISH RESPONSE TO HUNGER
NATIONAL ASSOCIATION FOR THE EDUCATION OF YOUNG CHILDREN
NATIONAL ASSOCIATION OF CHILD ADVOCATES
NATIONAL ASSOCIATION OF ELEMENTARY SCHOOL PRINCIPALS
NATIONAL ASSOCIATION OF SECONDARY SCHOOL PRINCIPALS
NATIONAL ASSOCIATION OF SOCIAL WORKERS
NATIONAL ASSOCIATION OF SCHOOL PSYCHOLOGISTS
NATIONAL ASSOCIATION OF WIC DIRECTORS
NATIONAL COALITION FOR THE HOMELESS
NATIONAL CONSUMERS LEAGUE
NATIONAL COUNCIL OF FARMER COOPERATIVES
NATIONAL COUNCIL OF JEWISH WOMEN
NATIONAL COUNCIL OF SENIOR CITIZENS
NATIONAL EDUCATION ASSOCIATION

NATIONAL FARMERS UNION
NATIONAL MILK PRODUCERS FEDERATION
NATIONAL STUDENT CAMPAIGN AGAINST HUNGER & HOMELESSNESS
OMB WATCH
PUBLIC VOICE FOR FOOD AND HEALTH POLICY
RESULTS
SAVE THE CHILDREN
SEAFARERS INTERNATIONAL UNION OF NORTH AMERICA
SECOND HARVEST
SERVICE EMPLOYEES INTERNATIONAL UNION
UNITED AUTO WORKERS
UNITED FOOD AND COMMERCIAL WORKERS INTERNATIONAL UNION
UNITED PLANNING ORGANIZATION-WIC PROGRAM
U.S. CONFERENCE OF MAYORS, TASK FORCE ON HUNGER AND HOMELESSNESS
WORLD HUNGER EDUCATION SERVICE
WORLD HUNGER YEAR
YWCA OF THE USA

STATE AND LOCAL ORGANIZATIONS

ACCESS FOOD SHARE, MEDFORD, OR
ALABAMA COALITION AGAINST HUNGER
ALLEGHENY COUNTY HEALTH/MENTAL RETARDATION/DRUG AND ALCOHOL/HOMELESS AND HUNGER PROGRAM, PITTSBURGH, PA
ALTO DAIRY COOPERATIVE, WAUPUN, WI
AMERICAN FAMILY AND CONSUMER SCIENCES, AIKEN, SC
ATLANTA COMMUNITY FOOD BANK
BLAIR COUNTY COMMUNITY ACTION PROGRAM, ALTOONA, PA
BOULDER COUNTY HEALTH DEPARTMENT, BOULDER, CO
BRATTLEBORO AREA DROP-IN, BRATTLEBORO, VT
BUTLER COUNTY UNITED LABOR COUNCIL, AFL-CIO, PITTSBURGH, PA
CALIFORNIA EMERGENCY FOODLINK
CAMDEN AREA FOOD PANTRY, CAMDEN, NY
CAPITAL AREA FOOD BANK, AUSTIN, TX
CAPITAL DISTRICT CHILD CARE COORDINATING COUNCIL, NY
CATAWBA PUBLIC HEALTH DISTRICT, ROCK HILL, SC
CATHOLIC DIOCESE OF DALLAS, TEXAS
CATTARAUGUS COMMUNITY ACTION, INC., NY
CENTER FOR FOOD ACTION, STATEWIDE EMERGENCY FOOD AND ANTI-HUNGER NETWORK, NJ
CHICAGO ANTI-HUNGER FEDERATION
COALITION OF WISCONSIN AGING GROUPS
COLLEGE DEMOCRATS, UNIVERSITY OF WISCONSIN, WHITEWATER
COLUMBIA PACIFIC FOOD BANK, ST. HELENS, OR
COMMUNITY ACTION AGENCY OF BALDWIN, ESCAMBIA, CLARKE, MONROE &

CONECUH COUNTIES, ALABAMA
COMMUNITY ACTION AGENCY OF NORTH CENTRAL ALABAMA, DECATUR, AL
COMMUNITY ACTION PROGRAM EXECUTIVE DIRECTORS ASSOCIATION OF NEW JERSEY
COMMUNITY COORDINATED CHILD CARE, MILWAUKEE, WI
COMMUNITY FOOD PANTRY OF CONDON, OR
COMMUNITY FOOD RESOURCE CENTER, NEW YORK, NY
COMMUNITY FOOD SHARE, BOULDER, CO
COMMUNITY HEALTH CARE INC., WIC PROGRAM, WASHINGTON, D.C.
COMMUNITIES IN SCHOOLS-CENTRAL TEXAS, INC.
CONTRA COSTA COUNTY FOOD & NUTRITION POLICY CONSORTIUM, CA
D.C. HUNGER ACTION
D.C. GENERAL HOSPITAL WIC PROGRAM
DEMOCRATIC WHIP IVAN ITKIN, PA, HOUSE OF REPRESENATIVES
DEPARTMENT OF NUTRITIONAL SCIENCES, RUTGERS UNIVERSITY, NJ
EASTERN WEST VIRGINIA COMMUNITY ACTION
EDWARD C. MAZIQUE PARENT CHILD CENTER, WASHINGTON, D.C.
ELMORE/AUTAUGA COMMUNITY ACTION COMMITTEE, WETUMPKA, AL
EMERGENCY FAMILY ASSISTANCE ASSOCIATION, BOULDER, CO
FLORIDA DEPARTMENT OF CITRUS, FARMINGTON, HILLS, MI
FOOD BANK OF CENTRAL NEW YORK
FOOD BANK OF IOWA
FOOD BANK COUNCIL OF MICHIGAN
FOOD BANK OF NORTH ALABAMA, HUNTSVILLE, AL
FOOD BANK OF NORTHERN NEVADA
FOOD BANK OF WESTERN MASSACHUSETTS
FOOD FOR ALL, REDLANDS, CA
FOOD FOR LANE COUNTY, EUGENE, OR
FOOD AND HUNGER HOTLINE, NY
FOOTHILLS RURAL COMMUNITY MINISTRY, NY
FOREMOST FARMS USA, COOPERATIVE, BARABOO, WI
GREATER DALLAS COMMUNITY OF CHURCHES
GREATER MILWAUKEE SYNOD OF THE EVANGELICAL LUTHERAN CHURCH OF AMERICA, WI
GREATER PITTSBURGH COMMUNITY FOOD BANK, McKEESPORT, PA
GREENE COUNTY DEPARTMENT FOR THE AGING, NY
HEALTH & WELFARE COUNCIL OF NASSAU COUNTY, UNIONDALE, NY
HUNGER ACTION NETWORK OF NEW YORK STATE
HUNGER SERVICES NETWORK, PITTSBURGH, PA
HUNGER TASK FORCE OF MILWAUKEE
INTERFAITH CONFERENCE OF GREATER MILWAUKEE
INTERFAITH MINISTRIES HUNGER COALITION , HOUSTON, TX
INTERACT-ROTARY, SENECA, SC
JEWISH COMMUNITY RELATIONS COUNCIL OF THE JEWISH FEDERATION OF CENTRAL NEW JERSEY
JEWISH LABOR COMMITTEE

JOINT COUNCIL FOR ECONOMIC OPPORTUNITY, NY
JUST HARVEST, HOMESTEAD, PA
LAND O'LAKES, MINNEAPOLIS, MN
LEGAL ACTION CENTER FOR THE HOMELESS, NY
LINCOLN COUNTY FOOD SHARE, NEWPORT, OR
LINN BENTON FOOD SHARE, CORVALLIS, OR
LONG ISLAND CARES
LOWER SAVANNAH DISTRICT, AIKEN, SC
LUTHERAN OFFICE OF GOVERNMENTAL MINISTRY IN NEW JERSEY
LUTHERAN OFFICE OF GOVERNMENTAL MINISTRY IN NEW MEXICO
LUTHERAN PUBLIC POLICY OFFICE-WASHINGTON STATE
LUTHERAN OFFICE ON PUBLIC POLICY, BALTIMORE, MD
LUTHERAN SOCIAL SERVICES OF MICHIGAN
LUTHERAN STATEWIDE ADVOCACY, ALBANY, NY
MARION-POLK FOOD SHARE, SALEM, OR
MARYLAND FOOD COMMITTEE
MAYOR TOMMY BROWN, CITY OF NORTH RICHLAND HILLS, TX
MEDICAL COLLEGE OF WISCONSIN-DEPARTMENT OF PEDIATRICS
MENOMONIE AREA BREAD FOR THE WORLD, MENOMONIE, WI
MIDDLE GEORGIA COMMUNITY FOOD BANK, MACON, GA
MILWAUKEE 9 TO 5 ASSOCIATION FOR WORKING WOMEN, WI
MILWAUKEE COUNTY DEPARTMENT ON AGING
MILWAUKEE COUNTY LABOR COUNCIL, AFL-CIO
MILWAUKEE PUBLIC SCHOOLS
MISSOURI ASSOCIATION FOR SOCIAL WELFARE, HUNGER TASK FORCE
MONTANA ASSOCIATION OF CHURCHES
MOUNTAINEER FOOD BANK, GASSAWAY, WV
NORTHERN LOUISIANA SYNOD EVANGELICAL LUTHERAN CHURCH IN AMERICA
NORTHERN TEXAS SYNOD-EVANGELICAL LUTHERAN CHURCH IN AMERICA
NORTH WESTERN NEW JERSEY COMMUNITY ACTION PROGRAM-FOOD BANK, PHILLIPSBURG, NJ
NUTRITION CONSORTIUM OF NEW YORK STATE
NYS SCHOOL FOOD SERVICE ASSOCIATION, NY
OHIO TASK FORCE
OREGON FOOD BANK
ORGANIZED COMMUNITY ACTION PROGRAM, INC., TROY, AL
PENNSYLVANIA ASSOCIATION OF REGIONAL FOOD BANKS
PENNSYLVANIA COALITION ON FOOD AND NUTRITION
PENNSYLVANIA SCHOOL FOOD SERVICE ASSOCIATION
PICKENS COMMUNITY ACTION COMMITTEE, INC., CARROLLTON, AL
PIEDMONT DIETETIC ASSOCIATION, SENECA, SC
PITTSBURGH CITY COUNCIL PRESIDENT JIM FERLO
PROGRESSIVE STUDENT UNION, UNIVERSITY OF WISCONSIN, WHITEWATER
PROJECT HOSPITALITY, NY
RACINE COUNTY PROJECT EMERGENCY INC., RACINE, WI

ROMNEY FOOD PANTRY, ROMNEY, WV
SOUTHERN TIER FOOD BANK, NY
STATEWIDE EMERGENCY NETWORK FOR SOCIAL AND ECONOMIC SECURITY, NY
HONORABLE JIM SCHEIBEL, FORMER MAYOR OF MINNEAPOLIS, MN
SENIOR GLEANERS, INC., NORTH HIGHLANDS, CA
SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL 585, BLAWNOX, PA
SILVER SPRING NEIGHBORHOOD CENTER, MILWAUKEE, WI
SOCIAL CONCERNS OFFICE, MILWAUKEE ARCHDIOCESE
SOCIAL DEVELOPMENT COMMISSION, MILWAUKEE, WI
SOUTH CAROLINA PERINATAL ASSOCIATION
SOUTHEAST ARIZONA FOOD BANK WAREHOUSE
SOUTH CAROLINA DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL,
DIVISION OF WOMEN & CHILDREN'S SERVICES, CHILDREN'S HEALTH
SOUTH CAROLINA COMMITTEE AGAINST HUNGER
S.W. OREGON COMMUNITY ACTION
STATEWIDE LUTHERAN ADVOCACY
STATEWIDE YOUTH ADVOCACY, NY
START SMART MILWAUKEE
STATE UNIVERSITY OF NEW JERSEY, RUTGERS, DEPARTMENT OF NUTRITIONAL SCIENCES
SOCIAL DEVELOPMENT COMMISSION, MILWAUKEE, WI
ST. PETER CHURCH OF DELIVERANCE, AUGUST, WV
SUSTAINABLE FOOD CENTER
SWISS VALLEY FARMS, CO., DAVENPORT, IA
TEXAS ALLIANCE OF HUMAN NEEDS
TREHAB CENTER COMMUNITY SERVICES PROGRAM, MONTROSE, PA
URBAN COALITION/MINNESOTA FOOD EDUCATION AND RESOURCE CENTER
VERMONT OFFICE OF ECONOMIC OPPORTUNITY
VERMONT NATIONAL EDUCATION ASSOCIATION
WASHINGTON FOOD POLICY ADVOCATES
WASHINGTON LEGAL CLINIC FOR THE HOMELESS
WASHINGTON STATE ANTI-HUNGER AND NUTRITION COALITION
WESTMORELAND HUMAN OPPORTUNITIES, INC., GREENSBURG, PA
WEST VIRGINIA COALITION ON FOOD AND NUTRITION
WISCONSIN ACADEMY OF PEDIATRICS
WISCONSIN ASSOCIATION OF SCHOOL DISTRICT ADMINISTRATORS
WISCONSIN DIETETIC ASSOCIATION
WISCONSIN EDUCATION ASSOCIATION COUNCIL
WISCONSIN CHILD NUTRITION ALLIANCE
WISCONSIN CITIZEN ACTION
WISCONSIN COUNCIL ON CHILDREN & FAMILIES
WISCONSIN EDUCATIONAL ASSOCIATION COUNCIL
WISCONSIN FEDERATION OF COOPERATIVES
WISCONSIN GROCERS ASSOCIATION, INC.

WISCONSIN MATERNAL AND CHILD HEALTH COALITION
WISCONSIN NUTRITION PROJECT, INC.
WISCONSIN SCHOOL FOOD SERVICE ASSOCIATION
WOMEN AND POVERTY EDUCATION INITIATIVE, MILWAUKEE, WI
YELLOWSTONE CONFERENCE, ANTI-HUNTER COORDINATOR, THE UNITED METHODIST CHURCH, BILLINGS, MT

NATIONAL CHILD & ADULT CARE FOOD PROGRAM SPONSORS FORUM
A National Child Nutrition Advocacy Network for Child Care

OFFICERS

Linda Locke, President
Community Coordinated Child Care
Louisville, KY
502-636-1168

Mark Hansen, Vice Pres./Treasurer
Association For Child Development
East Lansing, MI
517-332-7287

Craig Rawson, Secretary
Educational Management Services
Mercerville, PA
717-627-6431

Paula James, Past President
Contra Costa Child Care Council
Concord, CA
510-676-6117

BOARD MEMBERS

Ellen Sharkey
Clarendon Family Day Care, Inc.
Bedford, MA
617-275-2720

James Bjork
Association For Children's
Nutritional Growth
Humble, TX
713-852-7736

Lory Patterson
Upward Child Care Food Program
Upward, CO
970-7575

Mary Ellen Pratt
U.S. Army Community & Family
Support Center
Alexandria, VA
703-325-0750

Nancy Tenen
Save The Children
Atlanta, GA
404-885-1578

Diane Adams
Community Coordinated Child Care
Madison, WI
608-271-9181

Jan Horton Lanier
Richmond, VA
804-276-9081

Toni Gattis
ICMC Child Development Corp.
Kansas City, MO
816-474-3751

Dorothy Willingham
Jefferson County Child Dev. Council
Birmingham, AL
205-933-1089

Rod Hodgdon
Adults & Children's Alliance
St. Paul, MN
612-481-9320

Diana Abel
Arizona Assoc. of Family Day Care
Mesa, AZ
602-9768

Hanne Hartman-Holt
Catholic Charities Food Program
Newark, DE
302-366-0592

EX OFFICIO BOARD MEMBERS

Ed Cooney
Food Research Action Center
Washington, D.C.

Helen Blank
Children's Defense Fund
Washington, D.C.

Kay McGreevy
The Children's Foundation
Washington, D.C.

Marion Standish
California Food Policy Advocates

BLOCK GRANT POSITION STATEMENT

The Federal Food Assistance Block Grant, contained in H.R. 4, Title V, of the Personal Responsibility Act, will eliminate or seriously reduce the funding for the Child and Adult Care Food Program (CACFP). The proposal repeals 1994 reauthorization of the National School Lunch Act of 1946 and the Child Nutrition Act of 1966, reduces current funding levels, caps future appropriations, eliminates the "entitlement" status of the program, removes all nutritional standards, and gives states the authority to reshape standards as they wish. **There is no mandate in H.R. 4 for states to continue the CACFP for children enrolled family child care homes.**

The National CACFP Sponsors Forum vigorously opposes any block grant for child nutrition programs. Any proposal to block grant the CACFP will ultimately destroy this program for all children in family child care homes.

Maintaining the "entitlement" status of the CACFP will be critical in ensuring that the projected increase in "low-income" children entering child care can receive program benefits. As states move mothers and fathers from welfare to work, the number of "low-income" children in child care will rise. Currently, federal funding for CACFP expands automatically to meet increased needs. Capped funding would prevent states from serving the increased number of children in child care. Consequently, future growth in licensed and registered family child care will be nonexistent, creating an insurmountable obstacle for successful welfare reform.

The food assistance block grant will undermine the family child care infrastructure and the availability of quality, affordable child care will be critically impacted. Currently, participation in the CACFP requires family child care providers to be licensed or registered. Because the block grant prohibits participation of "middle-income" children, fewer providers will participate in the CACFP and the number of providers becoming part of a regulated or licensed profession will diminish, further eroding the availability of quality child care. The 1994 *Study of Children in Family Child Care and Relative Care* reported that 87% of the family child care homes considered to be providing good-quality child care participated in the CACFP. Participation in the CACFP was cited as one of the factors influencing the quality of child care. CACFP participating family child care providers have access to a wide range of training and support activities, including three monitoring and educational visits per year.

BEST COPY AVAILABLE

Millions of our nation's youngest children will lose the nutritional and health preventative benefits that the CACFP meals provide. The block grant would prohibit services to children from hard working families and allow services only to those children whose families are deemed economically disadvantaged. According to Congress's Select Panel for the Promotion of Child Health, preschool children often receive 75 to 80 percent of their nutritional intake from their child care providers. USDA reported that children participating in the CACFP ate more nutritious meals than children in non-participating child care sites.

The elimination of nutrition standards will adversely affect the nutrition and health of America's youngest children. It is well documented that dietary intake is linked to many major chronic diseases. The early childhood years are critical to a child's development as well as to the formation of lifelong eating habits. The 1994 Carnegie report *Starting Points: Meeting the Needs of Our Youngest Children* documents to an even greater degree on how individuals function from preschool through adulthood "hinges, to a significant extent, on their experiences before the age of 3." Future productivity, cognitive and social development of young children would be negatively impacted by cutting or eliminating the CACFP.

Family child care providers are small business owners and taxpayers. CACFP reimbursements received are treated as taxable income by the family child care provider. The CACFP provides an incentive to family child care providers to become licensed or registered, thereby becoming part of our taxpaying community. The 1994 *Study of Children in Family Child Care and Relative Care* found that 94% of regulated providers report their child care income on their tax returns. The CACFP provides economic development to these businesses, enabling them to provide quality, affordable child care to working parents. The majority of these small business owners are low-income women who without CACFP income would be forced to increase rates to stay in child care or close their business. Parents already struggling to pay for the cost of child care would be forced to seek lower quality, unregulated care.

The CACFP would become a discretionary program if block granted. There would be no guaranteed allocation beyond 1996. Congress could reduce or eliminate appropriations annually. States could even make the decision not to fund the program for family child care homes.

The Child and Adult Care Food Program is not a welfare program. The CACFP is a nutrition, training and nutrition education program that provides long-term health and societal benefits to our nation's children. The CACFP provides nutritional benefits to all children because all children need a nutritional head start. The CACFP was started in response to documented problems of undernutrition in very young children of all economic levels. The relationship between nutrition and learning is well researched and documented. Studies have concluded that the nutritional requirements of the CACFP have made and continue to make a significant impact in the nutritional and health status of young children. The National Education Goals for the Year 2000 provides that all children should start school ready to learn.

The National CACFP Sponsors Forum is a non-profit organization organized in 1984 and represents 10,000 CACFP sponsors providing CACFP services to more than 1.8 million children in child care centers, family child care homes and their working parents.

FMI POLICY STATEMENT
ON FOOD ASSISTANCE REFORM
January 1995

The Food Marketing Institute has long supported Food Stamps and WIC as effective, efficient ways of reducing hunger and improving the nutrition of our nation's poor. Both these programs serve as ultimate safety nets for those who cannot afford adequate diets. In 1994, some 27 million Americans depended on food stamps as income supplements at a total cost to the federal government of $24.5 billion. Over one-half of the beneficiaries were children. In addition, approximately 6.5 million Americans participated in the WIC program for this same year at a cost to the federal government of just over $3 billion.

FMI supports reforms that would improve the efficiency of food assistance programs while at the same time reducing any fraud and abuse that may exist. It is appropriate to scrutinize every government program to increase efficiency and effectiveness wherever possible. In fact, the grocery industry already has been a major participant in the effort to convert food stamps to an electronic benefits transfer environment with exactly these goals in mind.

If food assistance programs are moved to the states in block grants, with each state given authority to set its own standards for eligibility, the basic principles set forth below would lead to reforms that increase control, reduce fraud and abuse, enhance the dignity of the programs, and reduce both public and private administrative costs. If food assistance programs continue to be administered at the federal level, these same principles should also apply.

1. Because access to food is the ultimate safety net for needy Americans, these programs should not be simply cashed out. Research has demonstrated that removing the link between program benefits and the actual purchase of food results in the deterioration of nutritional diets, especially for our children. This increases long term health care costs dramatically and often arrests the normal growth and development of children.
2. FMI strongly supports a coordinated effort to reduce fraud and abuse, and to improve efficiency by reinventing benefit delivery systems. We encourage acceleration of the timetable for completion of the government's electronic benefits transfer proposals to speed final evaluation of this promising system as an alternative.
3. As delivery mechanisms are redesigned, national uniformity must be the goal allowing recipients to retain the freedom to shop at stores of their choice and recognizing the regulatory burden that multiple systems impose on grocers operating across jurisdictional lines. It is important to recognize also that uniformity is necessary for development of improved systems to address fraud and abuse.
4. Since access to wholesome and nutritious food in the local community is the goal of food assistance programs, overly restrictive licensing requirements for participation, particularly for the WIC program, should be eliminated. This would reduce both government and private administrative costs and improve food access for recipients.

Adopted by the FMI Board of Directors
January 14, 1995

Kansas State Board of Education

120 S.E. 10th Avenue, Topeka, Kansas 66612-1182

December 30, 1994

Representative Pat Roberts
1126 Longworth House O.B.
Washington, DC 20515

Dear Representative Roberts:

The Kansas State Board of Education (KSBE) staff has reviewed the Personal Responsibility Act (PRA), the welfare reform component of the Contract with America. We are deeply concerned about the negative impact these provisions would have on Kansas children participating in Child Nutrition Programs administered by KSBE.

The United States Department of Agriculture (USDA) recently released data indicating Kansas Child Nutrition Programs would receive a 43.7 percent funding cut for fiscal year 1996. Only two other states, Delaware and North Dakota, would experience a larger percent of decrease in funding. A copy of USDA's projections is enclosed.

Child Nutrition Programs are both nutrition and education programs; aimed at preparing all children to learn and lead healthy, productive lives. The PRA proposal restricts grant funds so only children from economically disadvantaged families would receive benefits. In 1985, the Library of Congress estimated that elimination of all child nutrition funding for non-poor students would jeopardize continuation of the School Lunch Program in over 40,000 of the nation's 90,000 participating schools.

In Kansas, where 61 percent of the 290,000 school lunches served daily are for "non disadvantaged" students, we project over half of participating schools and child care facilities will drop out of the Child Nutrition Programs. This will happen because school boards and administrators will not want to administer a welfare program. Additionally, they may feel that the administrative responsibilities are too great in relation to the amount of funding received. Hundreds of Kansas schools and child care facilities will probably leave the programs resulting in the following:

1. **Low income children will lose access to nutritious meals.** Studies show that low-income students depend on the National School Lunch Program (NSLP) for one-third to one-half of their nutritional intake each day.

2. **Low income students will be at greater risk for educational failure.** Inadequate nutrition is a major cause of impaired cognitive development and is associated with increased educational failure among impoverished children. Research has shown that children who participate in the School Breakfast Program (SBP) have significantly higher standardized achievement test scores than eligible non-participants. Children eating school breakfast also have significantly reduced absence and tardiness rates.

3. **ALL students will be at greater nutritional risk.** USDA research demonstrates that children who participate in the NSLP have superior nutritional intake compared to those who do not. The PRA eliminates any requirements to ensure the nutritional quality of the meals served in schools and child care facilities.

Nutrition Services
(913) 296-2276

4. **ALL students will lose the nutrition education component of the programs.** Most of the leading causes of death in America are diet related. Many of these killer diseases have their onset in childhood. Teaching children to make nutritious food choices is an economical way to dramatically lower their future health care costs and help them lead better lives.

The Child Nutrition Programs are important to the education and health of all students. The programs have worked effectively and efficiently for many years. At a time when child poverty is increasing, the PRA would terminate these proven programs and replace them with an ineffective welfare program. Implementation of the PRA proposals would literally take food from the mouths of children in Kansas schools and child care facilities. Surely there is a less damaging way to reduce government spending.

If you wish to have more specific information about the impact of these provisions on the Child Nutrition Programs in Kansas, feel free to contact Nutrition Services (913-296-2276).

Sincerely,

Lee Droegemueller, Commissioner
Kansas State Board of Education

Enclosure

LD/jm

COUNCIL OF CHIEF STATE SCHOOL OFFICERS

One Massachusetts Avenue, NW, Suite 700, Washington, DC 20001-1431 • 202/408-5505 • FAX 202/408-8072
Resource Center on Educational Equity — State Education Assessment Center

January 20, 1995

Child Nutrition Programs
CCSSO Statement & Fact Sheet

School lunch, breakfast and summer feeding programs are slated for consolidation into a $35.6 million state block grant of nutrition programs under the Personal Responsibility Act portion of the Contract with America (H.R. 4). The nutrition block grant would also include WIC, food stamps and a number of other programs. The provisions of the proposal as introduced would include elimination of the federal subsidy for children who pay for their lunches, a change in the funding of all programs included in the block grant from entitlements based on the number of eligible participants to a single annual appropriation, and phased-in state flexibility to permit the governor to shift funds from one nutrition program from another without assurance that school meal programs would be maintained at even their current levels over five years.

CCSSO strongly supports the school meal programs and urges that school-based nutrition programs be dropped from the welfare reform block grant for the following reasons:

- **School meal programs are not "welfare" programs.** The federal subsidies for school lunches, in cash and in commodities, are based on a long-standing national priority on ensuring that public schools in America can offer nutritious, affordable meals to all children. While the degree of federal subsidy varies with the affluence of the child, the program is not designed to serve only children in poverty. The program makes the difference in whether many school districts can offer meals to students during the school day.

- **School meal programs should retain entitlement status.** Making funding subject to the annual appropriations process would undermine and jeopardize the program, particularly since the block grant proposal does not include hold harmless provisions, maintenance of effort, or earmarks within the block at current levels for each program. As the appropriated pot of funds shrinks in relation to eligible participants in the various nutrition programs, one need and population will invariably be pitted against another at the state level.

- **The subsidies for the paying child should be maintained.** Elimination of these subsidies would force those school districts that have fewer poor students to drop their school lunch programs altogether.

- **School meal programs should continue to be the responsibility of and administered by state and local education agencies.** School meals should not be pitted against other vital child nutrition and poverty feeding programs for funds, nor should responsibility for them be shifted to the governor's office.

President JUDITH A. BILLINGS, Washington Superintendent of Public Instruction • President Elect TED SANDERS, Ohio Superintendent of Public Instruction • Vice President ALAN D. MORGAN, New Mexico Superintendent of Public Instruction • Director ROBERT V. ANTONUCCI, Massachusetts Commissioner of Education • JOHN A. SCHNARTZ, South Dakota Secretary of Education • GERALD ESTENDORF, North Carolina Superintendent of Public Instruction • HENRY R. MARockie, West Virginia Superintendent of Schools • WILLIAM T. RANDALL, Colorado Commissioner of Education • THOMAS SOBOL, New York Commissioner of Education • Executive Director GORDON M. AMBACH

The Wichita Eagle

THURSDAY

January 19, 1995

HOW YOU CAN HELP

- If you have food you are willing to contribute, take it to the Kansas Foodbank Warehouse or to your local food pantry or church.
- Catholic Charities needs baby formula, frozen meats and certificates for milk, eggs and other grocery items.
- Donations can be mailed to the Wichita Ministerial League, Grant Chapel AME Church, 2750 N. Hillside, to provide emergency help.
- Hold a "Souper Bowl Sunday" party. During the party, pass around a collection plate and donate the proceeds to the food bank or homeless shelter of your choice.
- Contact the Campaign to End Childhood Hunger at Inter-Faith Ministries (264-9303) to see what assistance is needed in the program's public awareness and food supplement outreach programs.
- Adopt one of the schools within the Cities and Schools program; contact Judy Frick, the program's city coordinator, at 833-5110.
- Volunteer to remodel homes with Mennonite Housing Rehabilitation Services.
- Volunteer to teach literacy to children or adults through Literacy Volunteers of America or the Cities and Schools program.

The Wichita Eagle

Hungry kids cry for help

By Stan Finger
The Wichita Eagle

In a school where nearly 90 percent of the students receive reduced-price lunches and where hunger had reduced a student to tears just that morning, sponsors of a comprehensive study on childhood hunger Wednesday issued a cry for help.

The two-year survey conducted by the Kansas Childhood Hunger Identification Project revealed that 21,000 children under the age of 12 go hungry in a given month, and another 48,000 are at risk of going hungry — about one out of every seven children in the state.

"We found hunger in every area of the state," Cheryl Wehler, a researcher with the Childhood Hunger Identification Project, said during a news conference at Colvin Grade School, 2820 S. Roosevelt. "Where you found poverty, you found hunger."

Based on personal interviews with 600 low-income families selected at random from 29 counties throughout Kansas, the survey estimated that 1 out of every 22 children in Kansas is hungry.

"For every single school in Kansas ... there is a hungry child in every classroom," Wehler said.

See **HUNGER**, Page **4D**

HUNGER

From Page 1D

Students were classified "hungry" if their families answered yes to at least five of eight questions that explored specific measures of hunger. Those who answered yes to one to four questions were considered at risk.

In Wichita, 5,000 children are hungry — about 1 in 14 — and about one out of every five children is either hungry or at risk, the survey showed.

"Hungry children can't learn," said Rita Hammas, a Kansas state nutritionist. "Illiterate adults can't compete."

Trish Peters, assistant principal at Colvin Grade School, said a child walked into the school office crying Wednesday morning. She wanted something to eat.

Peters fed the child crackers and gave her something to drink. The child went back to class and was fine.

Peters said she watches children in the school lunchroom refill their plates again and again.

"There's not going to be much for dinner that night, and they'll tell you, so they're loading up," said Peters, whose voice filled with emotion as her presentation proceeded.

The school lunch and school breakfast programs are important safety nets for children whose families struggle to put food on the table. According to the Food Research and Action Center, the number of children receiving food stamps in Kansas grew from 81,603 in fiscal year 1991 to 91,965 in fiscal year 1992.

Those numbers should be even higher, authors of the survey said. Research found that more than one-third of the at-risk households eligible for food stamps do not receive them.

After the conference, the Rev. Eugene Gerber, bishop of the Catholic Diocese of Wichita, said the survey results should "make us students of the children. The lesson we learn must result in action."

Virginia White, executive director of the Kansas Foodbank Warehouse — which spearheaded the project along with Inter-Faith Ministries — said she planned to meet with Gov. Bill Graves today to review the survey's results.

White said she would urge Graves to form a task force to study the survey's results and develop strategies to reduce hunger in Kansas.

Virginia White, executive director of the Kansas Foodbank Warehouse, plans to urge Gov. Bill Graves to form a task force to study the hunger survey's results and develop strategies to reduce hunger in Kansas during a meeting today with the governor to review the survey's results.

Those strategies could be heavily affected by what happens in Washington, D.C., in the weeks ahead. Congress is expected to consider a number of potential changes in federal food subsidy programs, many of which could mean significant reductions in funding for programs such as food stamps, school lunch programs, school breakfast programs, and the special supplemental food program for women, infants and children (WIC).

If those cuts are made, said Inter-Faith Ministries director Sam Muyskens, "I would hate to think how much hunger there would be in the heartland."

Muyskens, Gerber and others all said they would support efforts to maintain food supplement programs at current levels.

"It's not uncommon for the poor to be cut first ... in expenditures, and to participate last in recovery," Gerber said. "We need to take their side. We need to be their voice, especially for the children."

Sitting in the front row of the grade school gymnasium, Shelly Turney listened quietly to the presentations. What she was hearing did not surprise her. She participated in the survey, and knows about making do with a job that doesn't stretch far enough and food stamps that do not last to the end of the month and children going hungry.

She has three children of her own and drives a school bus in some of Wichita's poorest neighborhoods. She tries to have a little something for the students who ride her bus, because so many of them are hungry when they climb up the bus steps.

"How do I manage that? I don't eat," she said. "I figure it's more important for the kids to eat than for me to."

Turney is trying to find light at the end of the tunnel for herself.

"It's a long, long tunnel," she said earlier this week.

She is beginning work toward a college degree this semester, taking courses at Butler County Community College on Fridays, Saturdays and Sundays so she won't have to give up her job.

"How are we going to get the money for you to go to college?" her 8-year-old son Troy asked when his mother mentioned the classes.

"A grant," she said. "It's been taken care of."

But the Pell Grant is a double-edged sword. While it will pay for her college courses, she said, it will count against the earnings figure used to calculate her federal assistance.

That means she will have to do even more of what she typically does when the money runs out before the month does: scrounge up odd jobs, and give plasma twice a week.

Donating plasma gives her bread, milk and gas money, but she doesn't like to do it "because it leaves ugly scars," she said.

On Wednesday morning, as she pondered the loss of federal assistance because of the school grant, Turney talked about having to give plasma again.

But by that afternoon, people who had read or heard of her plight had offered so much food and clothing that she was asking people to send their food to the Kansas Foodbank Warehouse or the pantry or church of their choice.

"I'm sure there's people worse off than me," she said.

BEST COPY AVAILABLE

Chairman GOODLING. Thank you.
Dr. Lukefahr.

STATEMENT OF JAMES L. LUKEFAHR, MEDICAL DIRECTOR, DRISCOLL CHILDREN'S HOSPITAL WIC PROGRAM

Dr. LUKEFAHR. Mr. Chairman and Members of the committee, as Chairman Goodling pointed out, I am a practicing pediatrician and also I am medical director of the Driscoll Children's Hospital WIC program in Corpus Christi, Texas. I do not receive any financial remuneration for my position with the WIC program, but I am happy to serve in this capacity because the program allows me to treat my patients so much more effectively.

Thank you for allowing me to testify concerning the importance of the WIC program to the health of the mothers and the children that I and my physician colleagues treat every day.

From its inception, the WIC program has served a different purpose than other food services such as food stamps or the school lunch program. The WIC program is really not a food handout program. Instead, qualified health professionals, usually nutritionists and nurses, are empowered to identify women and children who are at risk for serious nutritional deficiencies.

These professionals then intervene to prevent those deficiencies through a provision of nutritious foods specific to the needs of the client, infant formula, education, monitoring of growth and other health indicators, and referral to other health care providers.

A woman or a child does not receive WIC services merely by being poor. The individual must meet the income requirement and have a nutritional risk.

WIC's program of tightly integrated services promoted to preventive health has generated impressive savings in health care costs as shown by the following example, which Mr. Fersh alluded to. The risk of premature birth is much higher for nutritionally deficient women, and the care of pre-term infants is one of the most costly forms of modern health care.

Average medical care costs incurred by one very low-birth-weight infant, which is an infant that weighs less than three pounds, five ounces at birth, range from $12,000 to $15,000. Since a pregnant woman's participation in WIC reduces the likelihood of bearing a below-birth-weight infant by 27 percent, each dollar has saved between $1.92 and $4.21 just in pregnancy and Medicaid costs.

The 1990 Federal WIC expenditures of $296 million saved at least $853 million in health expenditures to treat prematurity and its related problems.

WIC provides all these services with a minimum number of personnel. A typical WIC program site is staffed about a nutritionist, a nurse, and support personnel. For example, in Texas, the average WIC program has two workers per 1,000 clients.

In addition to being a low-cost provider of service, WIC has been a leader in developing novel ways of stretching the taxpayers' dollars. For example, all States have a competitive bid infant formula rebate program in which infant formula makers return funds to State WIC programs in proportion to the number of enrollees who receive the formula.

In 1994, this process generated $1.1 billion in rebate revenue, allowing the enrollment of 1.5 million additional clients. In my home State, Texas, formula rebates presently generate about 25 percent of the WIC budget.

Title V of H.R. 4 would actually repeal the authorization for this competitive bid process.

Precisely because WIC differs so fundamentally from other food assistance programs affected by Title V, I am very concerned about this bill's impact on WIC and its achievements.

Under this bill, there is no guarantee that WIC's integrated package of services would continue. The mere fact that WIC provides formula and extra food does not explain its extraordinary success. Rather, that success lies with its unique combination of preventive health service.

No uniform guidelines or standards regulating the assistance in education are included in the bill. A State would therefore be free to dismantle a proven, carefully crafted package of services in favor of a much simpler scheme providing only food distribution and basic nutrition information.

Please bear in mind that WIC funding totals only one eighth that of food stamps and only about 40 percent of the school lunch and related programs. Also, WIC's administrative costs could probably not be reduced to the bill's mandate of 5 percent without stripping many health care professionals from its ranks and eliminating the preventive services that WIC provides.

I believe that in order to salvage even a minimal aid package for women and children while continuing to fund the larger programs, money strapped States would be forced to fire most WIC dieticians and nurses and scrap the health components.

Please remember that WIC is a successful development in America's most important capital, its children and families. We know that investment in WIC reduces government expenses. If we reduce investment in WIC, in the end we will spend more taxpayer money, not less.

Therefore, Mr. Chairman and Members of the committee, I ask that you reconsider H.R. 4's block grant funding provisions. Please preserve WIC's highly effective package of uniform standards of services, close cooperation with health care providers, and prescription food packages to meet nutritional needs of the women and children that I and my colleagues see every day.

Thank you.

[The prepared statement of Dr. Lukefahr follows:]

STATEMENT OF

JAMES L. LUKEFAHR, MD
MEDICAL DIRECTOR
DRISCOLL CHILDREN'S HOSPITAL WIC PROGRAM
CORPUS CHRISTI, TEXAS

BEFORE THE

COMMITTEE ON ECONOMIC AND EDUCATIONAL OPPORTUNITIES
UNITED STATES HOUSE OF REPRESENTATIVES

WEDNESDAY, FEBRUARY 1, 1995
9:30 A.M., 2175 RAYBURN HOUSE OFFICE BUILDING

Mr. Chairman and Members of the Committee:

My name is James L. Lukefahr, MD. I have been a practicing pediatrician for 14 years and currently am director of the outpatient clinics of Driscoll Children's Hospital in Corpus Christi, Texas. I am also medical director of the Driscoll Children's Hospital WIC Program, which serves a large, rural area of South Texas in addition to our hospital patients. Our WIC Program is unusual in that it serves a large number of children with serious medical conditions by virtue of its hospital affiliation. I do not receive any financial remuneration for my position with the WIC Program, but I am happy to serve in this capacity because the program permits me to treat my patients much more effectively.

Thank you for allowing me to testify concerning the importance of the WIC Program to the health of our nation's mothers and children, and to the cost-effectiveness of this program's provision of services. My statement will be divided into two parts. First, I will discuss the program's purpose, function, and effectiveness, and show that WIC is distinct in several critical aspects from other Federal food assistance programs. I will conclude by offering a professional opinion on the probable impact of Title V of House Bill 4 on the continued operation of WIC.

A. The Purpose, Function and Effectiveness of the WIC Program.

1. Congress has carefully defined the activities of the WIC Program. The Special Supplemental Food Program for Women, Infants, and Children, generally known as the WIC (for "Women, Infants, and Children") Program, was authorized by Public Law 92-433 (1972) and began operations in 1974. Further refinement of WIC's mission occurred under PL 94-105 (1975) and PL 95-627 (1978).

From its inception, the WIC Program was designed to serve a distinctly different purpose than were other supplemental food services such as Food Stamps or the School Lunch Program. That purpose, as stated in PL 94-105, is:

> "... to provide supplemental nutritious food as an adjunct to good health care during such critical times of growth and development in order to prevent the occurrence of health problems. ... (S)upplemental foods will be made available to pregnant or lactating women and infants determined by competent professionals to be nutritional risks because of inadequate nutrition and inadequate income, in order to improve their health status."

PL 95-627 includes the following under its definition of "nutritional risk":

- "detrimental or abnormal nutritional conditions detectable by biochemical or anthropometric measurements";
- "other documented nutritionally r[illegible]ed medical conditions";
- "dietary conditions that impair or endanger health"; and
- "conditions that predispose persons to inadequate nutritional patterns ... including but not limited to alcoholism and drug addiction."

2. Thus, WIC is not and has never been a "food handout" program. Instead, qualified health professionals (usually nutritionists and nurses) are empowered to identify women and children who are at risk for serious nutritional deficiencies. These professionals then intervene to correct or prevent those deficiencies through provision of nutritious foods, infant formula, education, and other forms of assistance.

3. WIC is not welfare. Families can earn up to 185% of the Federal poverty level and still receive WIC services. In Texas, for example, a family of four earning $27,380 is WIC-eligible. In fact, 69% of Texas WIC families are *working* families; only 23% receive AFDC.[1]

4. WIC is not an entitlement program. As noted in the excerpts from the enabling legislation, a woman or a child does *not* receive WIC services merely by being poor. The individual must meet the income requirement *and* have a nutritional risk as defined in the program's guidelines. When a woman or her child is no longer at nutritional risk, she or he ceases to receive those services.

BEST COPY AVAILABLE

5. **WIC is a program of tightly integrated services devoted to preventive health.** The costs to society and to government imposed by nutrition-related disease in women and children are immense. WIC's combination of specific food supplements (a health professional, not the participant, determines the type of food a participant receives based on his/her nutritional need), nutrition education, and close links to health-care providers has generated impressive savings in health care and other costs, as shown by the following well-documented examples:

- The risk of **premature birth** is much higher for nutritionally deficient women, and the care of preterm infants is one of the most costly forms of modern health care. Average medical costs incurred by one very-low-birthweight infant (defined as an infant weighing less than 1500 grams or 3 lb. 5 oz.) range from $12000 to $15000. A pregnant woman's participation in WIC reduces the likelihood of bearing a very-low-birthweight infant by at least 27%, and forty-nine states have reported reduced neonatal (infants 28 days of age or less) mortality among WIC participants.[2] Several sources have estimated that each dollar spent on WIC services has saved between $1.92 and $4.21 in pregnancy- and neonate- related Medicaid costs.[3] The General Accounting Office estimates that the 1990 federal WIC expenditures of $2?96 million saved $853 million in health expenditures to treat prematurity and its related problems during the first year of life.[4]

- In some ways an even more dramatic example of the impact of WIC is the **near-eradication of childhood iron-deficiency anemia**. Once very prevalent in the United States, iron deficiency has been linked to impaired intellectual and motor development and to behavior problems such as hyperactivity.[5] The primary cause of childhood iron deficiency was the use of whole cow's milk (which has virtually no iron content) in early infancy because of a mother's choice not to breastfeed and/or inability to afford infant formula for her child. By 1986, several states and cities were reporting unprecedented (threefold or better) declines in childhood iron-deficiency anemia, and these declines were directly attributable to high participation in WIC.[6,7] Although I have not seen documentation of the cost savings due to this dramatic decline in iron deficiency, substantial savings due to decreased hospitalization and blood transfusion, plus reduced utilization of special education services, are plausible. *If WIC services were ever substantially curtailed, there is no doubt that iron-deficiency anemia would rapidly return as a major public health problem due to the high cost of infant formula for many families.*

6. **WIC encourages responsible health choices.** Even those people who understand WIC's core activities are often unaware of the full scope of WIC's activities in promoting healthful lifestyles among its participants. Examples of these activities include:

- At least two nutrition education sessions are given to each participant within each six month certification period. These sessions cover the nutritional needs of women and children, how to shop for nutritious foods, and preparation of healthful meals.
- WIC professionals emphasize the importance of regular medical and dental care, and regularly refer clients to health-care providers.

- Vigorous efforts to increase breastfeeding rates are underway in many areas. The Driscoll Hospital WIC Program, for instance, has tripled the prevalence of breastfeeding among its clients in the past two years.[8]
- WIC Programs in Texas and other states also provide on-site childhood immunizations.

7. **WIC provides these services with a minimum number of personnel.** A typical WIC Program site is staffed by a nutritionist (dietitian), a nurse, and support personnel. The Driscoll Hospital WIC Program, for example, employs three dietitians, two nurses, and eight clerical workers (paid at or near minimum wage) to serve 3600 clients per month using two permanent sites and a mobile unit. The average ratio for all Texas WIC programs is only two workers per 1000 clients.[9]

8. **WIC has low administrative costs.** For a program that employs a large number of health-care professionals, WIC devotes a surprisingly small portion of its budget to administrative costs. In Fiscal Year 1993 for example, Federal outlays for WIC totalled $2,821,855,868, of which 9.6% was devoted to administrative costs.

These expenses are categorized as follows:

PURPOSE	EXPENSE	PERCENT
Food purchases for distribution to participants	$2,114,708,519	75.0
Participant benefits	435,426,525	15.4
Nutrition Education	142,348,806	5.0
Breastfeeding Services	23,575,091	0.9
Other Direct Client Services	269,502,628	9.5
General Administration	271,720,824	9.6
Total	$2,821,855,868	100.0

9. **WIC saves taxpayer money in innovative ways.** In addition to being a low-cost provider of services, WIC has been a leader in developing novel ways of stretching the taxpayers' dollars.

- WIC is a model of cooperation with other organizations. Public health departments, Head Start programs, hospitals, and even schools or churches can become local WIC agencies. This allows maximum flexibility in the use of local resources such as space and personnel. Local WIC programs often co-locate with other social service agencies--again allowing maximum efficiency in sharing resources.
- Most states have a formula rebate program, in which infant-formula makers return funds to state WIC programs in proportion to the number of enrollees who receive the formula. These funds are in turn used to allow provision of service to more participants. Statewide infant formula contracts are awarded by competitive bidding processes which maximize the amount of these rebates. In 1994, this process generated $1.1 billion in rebate revenue, allowing the enrollment of 1.5 million additional clients.[11]

B. The Likely Impact of Reduced or Unrestricted Block Grant Funding on the WIC Program.

As indicated in the previous section, WIC differs from other Federal food assistance programs in fundamental ways:

- WIC is a preventive-health program consisting of a tightly integrated package of predetermined food assistance, nutrition education, and direct links to health care.
- WIC *is not* a welfare or entitlement program. Food and infant formula are dispensed only to clients who pass a dual test of income and nutritional risk, and only in conjunction with a program of nutrition education and health monitoring.
- WIC is already highly cost-effective with a proven track record of saving tax dollars and low administrative costs.

Title V of HR 4, the Personal Responsibility Act, proposes lumping funding for all USDA food assistance programs into a single block grant to each state. The bill would also reduce overall funding by 13% the first year and would remove nearly all Federal guidelines attached to food assistance funds. Further, eligibility for WIC would change from 185% of the Federal poverty level to the "lower living standard income level," (reducing the number of eligible working families) and funding for administrative costs would be capped at 5%.[12]

Precisely because WIC differs so fundamentally from all the other food assistance programs affected by this bill, I am very concerned about the potential impact on WIC and its achievements. **Under this bill, there is no guarantee that WIC's integrated package of services would continue.** The mere fact that WIC provides formula and extra food does not explain its extraordinary success; rather, that success lies with the unique combination of preventive-health services. The only meaningful step that HR 4 takes to preserve WIC is a provision which states that at least 12 percent of the block grant funds support food assistance and nutrition education for women, infants, and children. *No uniform guidelines or standards regulating that assistance and education are included in the bill.* A state would therefore be free to dismantle a proven, carefully crafted package of services in favor of a much simpler scheme providing only food distribution and basic education. Without uniform national levels of quality assurance, there would be no way of determining if the money was being spent effectively. Without national standards, the 12% set-aside for WIC in the proposed legislation would not preserve this multifaceted and effective program.

Some observers may argue that states would not move to dismantle WIC, since state governments would also recognize the singular nature of WIC and fund it accordingly. These observers should bear in mind that WIC funding totals only 1/8 that of the Food Stamps program and only about 40% of the School Lunch and related programs. Also, WIC's administrative costs could probably not be reduced to 5% without stripping many health-care professionals from its ranks and eliminating the preventive services WIC provides. I believe that, in order to salvage even a minimal aid package for women and children while continuing to fund the larger

programs, money-strapped states would be forced to fire most WIC dietitians and nurses and scrap WIC's preventive-health components.

This scenario seems particularly likely to me in view of the bill's proposed massive funding cuts. HR 4 would reduce overall 1996 funding from $40.7 billion to $35.6 billion (a 12.7% difference).[13] With an abrupt funding cut of that magnitude, there is no chance that *any* of the involved programs would survive without a major downsizing of services.

Although "downsizing of services" is the order of the day in Washington, please remember that to downsize WIC is to diminish a major investment in America's most important capital--its children and families. We all regard as foolish the businessman who does not invest enough in his firm's capital resources, because we know that such a decision will inevitably result in less profit in the long term. The situation is precisely the same with WIC: we know that investment in WIC *reduces* government expenses. Conversely, when we reduce investment in WIC, in the end we will spend *more* taxpayer money, not less.

Therefore, Mr. Chairman and Members of the Committee, please reconsider HR 4's impact upon the quality and integrity of this program. I ask that you instead preserve specified funding of the various food assistance programs (particularly the WIC Program) at or near their current levels, and to continue your support of WIC's highly productive package of services. If you feel that you must pursue block-grant funding, I ask you to preserve the current level of funding, which would at least make feasible the preservation at the state level of WIC services.

References

1. Data provided by Texas Association of Local WIC Directors.

2. *Infant Mortality Among Medicaid Newborns in Five States: The Effect of Prenatal WIC Participation*. Mathematica Policy Research, Inc., 1993.

3. *The Savings in Medicaid Costs for Newborns and their Mothers from Prenatal Participation in the WIC Program*. US Department of Agriculture Food and Nutrition Service, October 1990.

4. *Federal Investments Like WIC Can Produce Savings*. General Accounting Office, 1992.

5. Frank A. Oski, MD. Iron Deficiency in Infancy and Childhood. *New England Journal of Medicine* vol. 329 no. 3, July 15, 1993.

6. Pablo Vazquez-Seaone, MD, et al. Disappearance of Iron-Deficiency Anemia in a High-Risk Infant Population Given Supplemental Iron. *New England Journal of Medicine* vol. 313 no. 19, November 7, 1985.

7. Centers for Disease Control, Declining Anemia Prevalence among Children Enrolled in Public Nutrition and Health Programs--Selected States, 1975-1985, *Morbidity and Mortality Weekly Report* vol. 35 no. 36, September 12, 1986

8. James L. Lukefahr, MD, et al, The Effect of Peer Counselors on the Prevalence of Breastfeeding, unpublished manuscript

9. Data provided by Texas Association of Local WIC Directors

10. Data provided by National Association of WIC Directors

11. *Ibid*

12. *The Nutrition, Health, and Economic Consequences of Block Grants for Federal Food Assistance Programs* US Department of Agriculture Food and Consumer Service, January 17, 1995

13. *Ibid*

Chairman GOODLING. Thank you.
Mr. Boehlje.

STATEMENT OF BOYD W. BOEHLJE, PRESIDENT, PELLA IOWA SCHOOL BOARD, PELLA SCHOOL DISTRICT

Mr. BOEHLJE. Thank you, and good morning.

My name is Boyd Boehlje and I am a local school board member from Pella, Iowa. I am also President of the National School Boards Association which represents over 95,000 local school board members across the country who make the key policy and fiscal decisions for local school districts.

Like most school board members, I serve as a school board member in addition to my full-time professional responsibilities as an attorney in a small rural practice. Overwhelmingly, school board members are democratically elected and serve without financial compensation as I do.

Today I would like to give you a little bit of our perspective on the proposal in H.R. 4 to consolidate the school lunch and other school nutrition programs.

Let me describe briefly the school lunch program, which is the largest of the school nutrition programs. On an average school day, approximately 25 million children receive lunches through the program and about 95 percent of the public schools participate in this program. Participating schools receive payments partially subsidizing each meal served and they may also receive donated food from USDA.

These schools offer free and reduced price lunches to eligible children and provide meals that meet dietary guidelines. The logic of school nutrition programs is that these programs help low-income children learn.

If a child is hungry or undernourished, the child is not only more likely to become sick but less likely to succeed in school. Serving these meals in school rather than at a different location provides another reason for many poor, at-risk children to attend classes regularly.

Let me add that the effects of poor nutrition is pretty well documented. A recent Tufts University report concluded that poor children who attend school hungry perform significantly below their non-hungry low-income peers on standardized tests.

For all these reasons, I think it is particularly valuable to keep these school programs out of a larger block grant. But my greatest concern about the proposal before the committee is its impact on the numbers of children who receive meals through the program. Based on my experiences at home in Pella and my knowledge of other school districts, I believe that H.R. 4 as currently drafted will not help America's school children but indeed it is very likely to hurt them.

Unless the committee modifies H.R. 4, the legislation will almost certainly mean that this program will not be able to provide millions of school children with nutritious meals.

At the national level, I estimate that, as drafted, H.R. 4 would result in cuts of approximately 17 percent in the school nutrition programs. I know that many communities I am familiar with in Iowa, the cuts in this range are even higher.

Many communities in Iowa and across the Nation are likely to drop their participation in school nutrition programs. This would mean that all of the economically disadvantaged children would be likely to lose benefits of free or reduced price school meals.

For these reasons, I urge the committee to modify H.R. 4 by taking the school programs out of the larger block grant.

Under the current law, the school nutrition program contains important safeguards to help ensure all eligible children are served. However, the Personal Responsibility Act contains no such safeguards. The legislation ends the insurance that schools would at least be partially reimbursed for each meal that is provided for school children.

The PRA as drafted converts the school lunch and other school nutrition programs from entitlements into a multi-program nutritional block grant subject to the annual appropriations process. Thus, adequate funding will be subject to the change in political whims as well as the enormous budgetary pressures on domestic discretionary spending. There is no guarantee that next year Congress would not feel forced to make reductions in these valuable programs.

Thus, if H.R. 4 is enacted into law without modification, the availability of these programs to ensure that children are well nourished and ready to learn is likely to be seriously undermined.

Since 95 percent of the public schools in this Nation participate in this program, these cutbacks will be felt in almost every community across the country. And I would like to make it clear that it will not only be the low-income urban school children that will suffer. As I mentioned before, I am a local board member from Iowa. And my hometown of Pella, and indeed in many suburban and rural districts across the country, this proposal, contained in PRA, is likely to have severe impact, and what impacts will these funding reductions likely have?

As a result of the changes in the PRA, other school districts across the country will have two choices. We can either dramatically increase the prices for meals and in many districts the school would have to increase the price of lunch by more than 50 percent. This price increase would cause many students to drop out of the program. They would be priced out of the system.

If enough schools start participating, then the schools would find themselves in the position of having a prohibitively expensive cost to continue the program and would cease participating. The result is that the poor students in these districts would lose the opportunity to have nutritious meals.

The other way a school district can make up for the loss of Federal funding would be to finance more of the cost of the meal program through its own resources. I know firsthand from my work in Pella and my work with local school board members, the local funds are scarce. We are all fighting the balancing act that every local governmental agency has to fight in balancing the resources you have to allocate.

In fact, many local school boards have had local bond issues voted down by the taxpayers and in most districts the money just isn't there to make up for the Federal cutbacks in Federal nutrition programs.

In other cases, the additional local funds could be made available to make up for the loss of Federal funds. However, this is going to require local boards and superintendents to divert desperately needed funds from core academic programs to finance the school lunch program. Shifting resources to meeting nutritional needs of our students has the adverse effect of harming the academic programming.

I would also like to offer a word of strong caution concerning the entitlement status of other nutritional programs such as WIC and food stamps. In the last 30 years we have made many gains in reducing hunger among American children and it would be tragic if we were to endanger the progress that we have already made.

So I urge the committee to avoid the block granting these other valuable nutritional programs unless you are certain that the changes will not endanger children's health and their readiness to learn.

I would like to conclude by reminding the committee Members that the block grant proposal in H.R. 4 will produce real cuts in school nutrition programs. It will impact schools in all communities, including your own community. It is going to impact on the children who are going to school and learning their lessons in order to better themselves.

So block granting school nutrition programs will harm the children whom you are trying to help through improving the welfare system. And of course taking the school nutrition programs out of the larger block grant would do nothing to prevent the committee from proceeding with significant welfare reform.

I would like to thank the Members of this committee for this opportunity to testify. I would be happy to work with the Members of the committee as well as staff to provide you with additional information.

Thank you.

[The prepared statement of Mr. Boehlje follows:]

Boyd W. Boehlje
School Board Member
Pella, Iowa
and
President
National School Boards Association

TABLE OF CONTENTS

I. INTRODUCTION ..... Page 1

II. SCHOOL NUTRITION PROGRAMS ..... Page 1

III. CONCLUSION ..... Page 6

I. INTRODUCTION

Good morning. My name is Boyd Boehlje, and I am a local school board member from Pella, Iowa. I am also President of the National School Boards Association which represents the over 95,000 local school board members across the country who make the key fiscal and policy decisions for school districts.

Like most local school board members I serve as a board member in addition to my full-time professional responsibilities. Overwhelmingly, local school board members are democratically elected and serve without financial compensation as I do myself. Today I will be reporting to you my perspective on the proposal in H.R. 4 to consolidate the School Lunch and the other school nutrition programs.

II. SCHOOL NUTRITION PROGRAMS

The Congress and the American people appear committed to undertaking some type of major welfare reform. The American people also clearly want to reduce federal spending and make government more efficient. But does this mean we should rush into undertaking a major change in the school nutrition programs? I don't think so.

Based on my experiences in Pella and my knowledge of other school districts, I believe H.R. 4 as currently drafted will not help America's school children -- indeed it is likely to hurt them. And I do not believe that the American people or the Congress wants to make government smaller by reducing schoolchildren's opportunities to receive nutritious meals. In fact, the current proposal to consolidate these programs runs a great risk of endangering the health and educational opportunities of America's school children. For this reason, I urge the Committee to modify H.R. 4 by taking the school programs out of the nutrition block grant. Of course, such a step would do nothing to prevent the Committee from proceeding with significant welfare reform.

BEST COPY AVAILABLE

But first let me briefly describe the School Lunch Program, the largest of the school nutrition programs. On an average school day 25 million children receive lunches through the program. And about 95% of the public schools participate in the program. Participating schools receive payments partially subsidizing each meal served and they may also receive donated food from USDA. These schools offer free and reduced price lunches to eligible children and provide meals that meet dietary guidelines.

The logic of school nutrition programs is that these programs help low-income children learn. If a child is hungry or undernourished the child is not only more likely to become sick but is less likely to succeed at school. I also like to think that providing these meals at school, rather than at a different location, provides another reason for many poor, at-risk children to continue to attend classes regularly. The effects of poor nutrition are well documented. A recent Tufts University Center on Hunger, Poverty, and Nutrition Policy statement on "The Link Between Nutrition and Cognitive Development in Children" concluded that "poor children who attend school hungry perform significantly below non-hungry low income peers on standardized tests." For all these reasons, I think it is particularly valuable to maintain the distinct character of these programs and to keep these programs out of the larger nutrition block grant.

But my greatest concern about the proposal before the Committee is its impact on the numbers of children who benefit from the program. Unless this Committee modifies H.R. 4 the legislation will almost certainly mean that this program will not be able to provide millions of school children with the nutritious meals they need. At the national level we estimate that as drafted H.R. 4 would result in cuts of approximately 17 percent. And I know that in many communities I am familiar with in Iowa the cuts would be in this range or even higher. Some communities are likely to drop their participation in the school nutrition program entirely -- meaning that all of the economically disadvantaged children would lose the benefits of free or reduced-price school meals.

Under current law the school nutrition program contains important safeguards to help insure that all eligible children are served. Schools receive automatic partial reimbursement from the federal government for all the school meals they serve. However, the PRA contains no such safeguard. The legislation ends this insurance that schools will be at least partially reimbursed for each meal that is provided for schoolchildren.

The PRA as drafted converts the School Lunch and the other school nutrition programs from entitlements into a multi-program nutrition block grant subject to the annual appropriations process. Thus, adequate funding will be subject to the changing political winds as well as the enormous budgetary pressures on domestic discretionary spending. There is no guarantee that next year the Congress would not feel forced to make deep reductions in these valuable programs. Thus if H.R. 4 is enacted into law without modification the ability of these programs to insure that children are well nourished and ready to learn is likely to be seriously undermined.

Several other specifics of the PRA cause me great concern;

1) In FY 96 the PRA allows a maximum of $35.6 billion for the new nutrition block grant. As little as 20% of each state's grant could be used for the school nutrition program. This low authorization level as well as the low floor for state investment in school nutrition programs is likely to result in significantly reduced meal opportunities for schoolchildren.

2) The block granting of this program would eliminate the state matching requirements. As a result of this elimination local school districts would lose additional support for school nutrition programs.

3) Under H.R. 4 the eligibility criteria for reduced price lunches will be significantly narrowed. As a result many youngsters who live in families that have real difficulty making ends meet are likely to lose access to reduced price meals.

For all these reasons I urge members of the Committee to withdraw the school nutrition programs from the block grant.

Since 95% of public schools participate in this program these cutbacks will be felt in almost every community across the country. And I'd just like to make clear that it will not only be low-income urban schoolchildren that will suffer. As I mentioned before I am a local board member from Iowa. In my home town of Pella and indeed in many suburban and rural districts across the country the proposal contained in the PRA is also likely to have a severe impact.

What impact will these funding reductions likely have on my district and on other districts across the country? As a result of the changes in the PRA a school district like mine will have two choices. We can dramatically increase prices for meals. In many districts schools would have to increase the price of our lunch by more than 50%. This price increase would cause many students to drop out of the program.

If enough students stopped participating many school districts would find it prohibitively expensive to continue in the program and would cease participating. The result is that the poor students in these districts would lose this opportunity to have nutritious meals.

The other way a school district could make up for the loss of federal funding would be to finance more of the costs of the meal program through its own resources. Many local

school districts could not afford to subsidize these programs further even if we desired to.

One of local school board members' primary responsibilities is to vote on a district's budget and I know first hand and from my colleagues that local funds are very scarce. In fact many local school boards have had local bond issues voted down by taxpayers. In many districts the money is just not there to make up for the federal cutbacks in these programs.

In other cases additional local funds could be made available to make up for the loss of federal funds. **However, this would require local school boards and superintendents to divert more desperately needed funds from core academic programs to finance the school lunch program.** Shifting additional resources toward meeting the nutritional needs of our students would harm academic programming.

I would also like to address briefly the issue of block grants to states. I strongly support changes which could free local educators from excessive administrative burdens and costly federal mandates. For this reason just two weeks ago I testified before a joint House-Senate Committee in support of H.R. 5 and S. 1 the unfunded mandates legislation. **But I do not share many individuals' blind faith in block granting funds to states as a way to empower local educators.**

As a local policy maker I am familiar with how states can micro-manage local officials and require excessive paperwork. From my perspective block granting funds to the states with few strings attached provides no guarantee of insuring local flexibility.

Moreover, communities would lose at least one benefit of the federal school nutrition legislation, the provision that requires states to provide some matching funds for school

nutrition programs. Elimination of this provision of federal law would result in local schools losing significant funding. When it comes to block grants' actual impact on local schools, the devil is in the details.

I would also like to offer a word of caution concerning ending the entitlement status of the other nutrition programs such as WIC and Food Stamps. I have been a strong advocate of coordinating effectively children's health and nutrition programs because I believe these programs improve children's ability to learn. In the last 30 years we have made many gains in reducing hunger among American children and it would be tragic if we were to endanger the progress we have made. So I urge the Committee to avoid undertaking major changes in these other nutrition programs unless you are certain the changes will not endanger children's health and their readiness to learn.

III. CONCLUSION

I would like to conclude by reminding members of the Committee that the block granting proposal in H.R. 4 will produce real cuts in school nutrition programs. This money matters. And since almost 95% percent of local public schools participate it will impact on schools in your community. It will impact on the children that are going to school and learning their lessons in order to better themselves. So it will harm the children that you are trying to help through improving the welfare system.

I would like to thank members of this Committee for this opportunity to provide you with information about school nutrition programs. I would be happy to work with members of the Committee as well as staff to provide any further information you desire.

Chairman GOODLING. It would be unfair at this time to start turning the light on. We forgot to do it with the first witness. Keep in mind all of us make our living talking, and we are anxious. Any summarizing you can do would be appreciated so that we can move on rapidly.

I must introduce the next witness for Mr. Fawell, because he would like to welcome one of our witness. Joan Taylor is the Executive Director of the DuPage Senior Citizens Council located in Mr. Fawell's district. And I will put the rest of my remarks in Mr. Fawell's behalf in the record. I understand Mr. Fawell will be here later. He is going back and forth between committees like we all are.

[The prepared statement of Mr. Fawell as presented by Chairman Goodling follows:]

STATEMENT OF HON. HARRIS W. FAWELL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS AS PRESENTED BY CHAIRMAN GOODLING

I would like to welcome one of our witnesses, Joan Taylor, who is a constituent of Harris Fawell, a Member of the committee. Ms. Taylor is the Executive Director of the DuPage Senior Citizens Council located in Mr. Fawell's district in Illinois. The Council operates the Nutrition Program and Home Maintenance Program which served more than 5,000 area senior citizens during 1995. Ms. Taylor has also been appointed as a delegate to the 1995 White House Conference on Aging. Due to a scheduling conflict, Mr. Fawell is not able to be here to introduce Ms. Taylor, but I understand that he will be present later in the hearing.

Chairman GOODLING. Ms. Taylor.

STATEMENT OF JOAN TAYLOR, EXECUTIVE DIRECTOR, DUPAGE SENIOR CITIZENS COUNCIL

Ms. TAYLOR. Thank you, Mr. Goodling.

I am a social worker and I represent the DuPage Senior Citizens Council, a not-for-profit agency in DuPage County, which is a suburban area of Chicago. We provide nutrition and home maintenance programs for older people and for their families. I represent 4,400 nutrition program participants and 1,800 volunteers who serve them.

I am presenting the testimony this morning to express really my dismay at the proposed Title V of H.R. 4 in its potential effect on older Americans.

I began my work in 1960 in the inner city in Chicago when we didn't have an Older Americans Act, and the only choice if your family couldn't take care of you was for an older person to go into a nursing home.

The aging network today encourages public and private partnerships. We receive support from United Way, churches, businesses, volunteers and other social agencies.

Our participants contribute to the cost of their service. Last year in our area, participants contributed 38 percent of the cost. The nutrition program as authorized by the Older Americans Act is the most effective preventive program we as a Nation have to prevent institutionalization of older people.

Our program also is cost effective. Often it is a hot nutritious meal that makes it possible for an older person to come home from the hospital. We did a survey of our home-delivered meal clients and found out that 36 percent of them confirmed that they might

have to go into a nursing home if they didn't get a home delivered meal.

We can provide a meal for $4.37 a day. That includes all administrative costs. Less than half of that is Federal money. One day in a hospital costs about $1,000, of which Medicare pays 80 percent.

Second, I believe that the proposal for placing the senior nutrition program in a block grant with welfare food programs puts the entire community-based social system for keeping seniors out of nursing homes in great danger. Seniors would have to submit to means tests to receive meals. Again, this was the whole idea of the Older Americans Act, was to take the senior portion out of the means testing portion.

We would exclude people who have physical and mental limitations, high medical expenses, seniors who live alone, and seniors who struggle to maintain themselves and living just above the poverty level. Who would tell these people that they are to be excluded from that program?

Limiting senior participation would decimate our program because it would make it much more expensive to serve a few people. Yet, the ineligible people pay a substantial part of their cost.

I understand that the goal of this Act is to increase local involvement and to save money. I believe placing the nutrition program in the block grant would have the opposite effect. It is my view that there would be no savings because of the greater cost of Medicaid and Medicare programs. And local resources would be lost because private citizens and businesses do not augment programs like food stamps.

In the question period I would be happy to address some alternative ideas for cost saving. But in no way do I want to imply that we can stand a reduction in costs and do the same job.

For 30 years the Older Americans Act nutrition program has worked effective in helping frail people live in dignity. Its success in part is due to the high standards set at the Federal level as well as the participation of the State and the grassroots involvement through the area agencies.

This important system of checks and balances and the ability to transfer funds between services limits administrative costs and keeps the bulk of funds going into the services. And older people are involved at every level.

In closing, I urge you to take more time to study this complex issue. I understand that there is a national evaluation right now of the congregate and home-delivered meals program. I urge you to extend the Older Americans Act until you have had time to study the results of this comprehensive evaluation.

Please don't change a system that is working for the benefit of older people.

Thank you so much.

[The prepared statement of Ms. Taylor follows:]

Testimony to the House Economic and Educational Opportunities Committee, February 1, 9:30 a.m. by Joan Taylor, M.S.W., Executive Director, DuPage Senior Citizens Council, DuPage County, Illinois.

My name is Joan Taylor and I have worked with older Americans since 1960. I am a masters level social worker and Executive Director of DuPage Senior Citizens Council, a not for profit agency, serving seniors and their families in DuPage County, Illinois, a Chicago suburb, for twenty years by providing nutrition, home maintenance and volunteer opportunities. I represent 1,000 members, 1,800+ volunteers, and 4,418 Nutrition Program participants.

I am presenting this testimony to you Mr. Chairman and to the House Economic and Educational Opportunities Committee to express my dismay at the proposed Title V of H.R. 4, "The Personal Responsibility Act" and its potential affect on older Americans.

First I want to impress upon you the many ways the Older Americans Act is a success story using DuPage Senior Citizens Council as a case study.

The aging network encourages public-private partnerships with support from United Ways, social agencies, churches, volunteers, corporations and business. All Nutrition Program participants are asked to contribute to the cost of any service they receive. Last year our participants contributed 38% of the cost of the Nutrition Program. (Attachment A)

The Nutrition Program as authorized by the Older Americans Act is the most effective preventative program we as a nation have for keeping senior citizens out of hospitals and nursing homes. As such, it is both a humanitarian and cost effective program. Older Americans want to stay in their own homes as long as possible, maintaining their independence and quality of life. Often a hot nutritious home delivered meal is the key element to discharging a senior from the hospital. These meals support families in their efforts to keep seniors out of institutions. In a recent client survey, 36% of home delivered meal participants confirmed that without the meals they might have to go into a nursing home. (Attachment B)

The Nutrition Program is more cost effective than institutionalization. Let me back that up with some figures. We provide a meal for $4.37 a day, of which less than half is federal money. One day in a hospital often costs $1,000 with Medicare paying 80%. One day in a nursing home costs about $100. (Attachment A)

Second, I believe the Title V of H.R. 4 proposal for placing the senior Nutrition Program in a block grant with welfare food programs puts the entire community based service system for senior in great danger. I believe the community based networks that helps seniors stay in their own homes would be lost for ever if congress votes to place the Nutrition programs in a welfare block grant.

If the Nutrition program were placed with other welfare programs, seniors would have to submit to means testing to receive meals. Those who would be excluded by means testing could include seniors with physical or mental limitations, high medical expenses, seniors living alone and seniors who have struggled to maintain themselves and have just a bit more than $7,360. We target our services not only to seniors with low incomes but also those who are frail and disabled, minorities, those who have limited ability to speak English, those who live alone and those over 75 years of age. Who will tell them that they are excluded from the program? I don't want to be the one, do you?

Limiting senior participation by means tests would decimate the program and make it impossible or very expensive to serve the eligible. Yet these ineligible people need services and indeed pay a substantial part of the cost.

In the words of nursing home administrator Wesley Ringdahl, President of Fairview Villages, "I have yet to see an older person who was not devastated when their financial resources were exhausted and they were required to accept public assistance." (See attachment C).

We see an important trend toward greater intergenerational cooperation. Our senior leaders are deeply concerned about the effects of poverty and malnutrition on young people. My Board has gone on record as supporting food programs for the hungry of any age. Placing seniors in competition with younger people is not a good direction for this country.

I understand that the goal of this act is to increase local involvement and save money. I believe placing the Nutrition Program in the H.R.4 block grant would have the opposite effect. It is my view that there would be no savings because there would be increased Medicaid/Medicare costs. Much money would be wasted by administering means tests. Local resources would be lost because private citizens and businesses do not pay to augment programs like food stamps.

In the question period, I'd be happy to discuss some alternative ideas for cost savings.

For thirty years the Older Americans Act Nutrition Program has worked effectively in helping frail older people live in dignity. Its success is due in part to the high standards set at the federal level as well as the participation of the states and the grassroots involvement through the Area Agencies at the local level. This important system of checks, balances and the ability to transfer funds between services limits administrative cost and keeps the bulk of the funds going into services. Older people are involved at every level with advisory boards. There has been no national scandal attached to aging services in 30 years.

In closing, I urge you take more time to study this complex issue. I understand that a national evaluation of congregate and home delivered meal programs is currently underway. Please extend the Older Americans Act until you've had time to weigh the results of this comprehensive evaluation.

As responsible citizens we support the goal of local involvement and cost savings. Following are some ideas to accomplish these worthy goals.

I believe it is important to streamline and simplify the Older Americans Act, reduce paperwork and thus limit administrative costs at all levels. One reform would be to consolidate the smaller titles such as preventive health, abuse prevention, pension counseling etc. under supportive services.

Another reform would be to allow even greater flexibility at the local level in utilizing the allocations according to the priority needs of seniors in the communities. For example, in our area, the need for Home Delivered Meals has dramatically increased, but the funding is much greater for congregate than home delivered meals. We have to request the Area Agency for a transfer from one category to another. The Area Agency makes a request to the state and the state to the federal. It would be more efficient and require less administrative cost to allow the Area Agencies at the local level make the determination with input from the communities and the approval of the state.

The community based agencies would in some instances be in a good position to increase senior contributions if there were greater flexibility in methods of achieving this. Our situation may be very different from a rural area or a metropolitan area as to how this might be done. For example, the current legislation prohibits us from using a sliding scale fee schedule.

Attachment A

Cost Analysis of Meals provided by DuPage Senior Citizens Council

Per Meal Cost $4.37

Participant Contribution	$1.67	38%
Older Americans Act Grant	$1.23	28%
US Department of Agriculture	$ .65	15%
State Funds	$ .53	12%
Community Contributions		
United Way, individual	$ .29	7%

These costs include food and administrative expenses. They do NOT include a calculation for volunteer time as in-kind.

Seniors avoid hospitalization or nursing home stays by improving their nutrition with regular participation in a senior nutrition program. A significant cost savings not only for the Federal government is realized with community based programs.

The cost in DuPage of an additional day in the hospital ranges between $650 to $1,000. Medicare covers 80% or $520 to $800. The same amount of federal dollars could provide up to 426 Council meals.

The cost in DuPage of a day in a nursing home for skilled care ranges between $80 and $171.50. While Medicaid pays $68 per day for nursing home care, our program could use. The same amount would to supply home delivered meals to 36 participants.

Demographics - DuPage Senior Citizens Council Nutrition Program

DuPage 60+ population

1980	68,310 or 12% of total population
2010	181,967 or 18% of total population

The Nutrition Program served 4,418 senior participants during FY 1994 or approximately 4.6% of the total sixty and over population. Average Daily number of meals 1,298: 867 Home Delivered and 431 Congregate Meals.

1,596 in the Home Delivered Meal and 2,822 in the Congregate program
1,955 who live alone and 2,476 who are over 75 years of age
489 who reported they have income at or below poverty level
52 who are non English speaking
8 who are African American, 41 Asian/Pacific Islanders and
35 who are Hispanic

To meet the needs of a growing senior population, the Council must continue to be as flexible as possible responding to community needs. The volunteer corps must be expanded and alternatives found to help seniors remain in their own homes. Local financial resources must be developed to meet the increasing demand.

4

Attachment B

Responses to the National Association of Meal Programs Survey

In December, 1994 the DuPage Senior Citizens Council mailed a National Association of Meal Programs survey to all nutrition program participants along with a request to contribute to the Council. Here are some highlights of their responses to the survey.

89% of the Home Delivered Meal and 51% of the Congregate participants agreed that the nutrition program meals are their most important source of nutrition.

Of the Home Delivered Meal participants completing the survey...

36% Confirmed that without Home Delivered meals they might have to go into a nursing home.

73% Indicated it would be difficult to "find another way of getting nutritious meals on a regular basis" without Home Delivered Meals.

88% Agreed that the personal contact with those who deliver meals is important to them.

83% Believe they now contribute a "fair share" to the program, 42% are willing to contribute more "if it would allow me and others to continue to receive meals".

Of the Congregate participants completing the survey...

94% Agreed that the contact with other participants at the meal program is important to them.

76% Responded that if they became physically unable to go to a dining center, they would probably apply for home delivered meals.

96% Believe they now contribute a "fair share" to the program, 57% are willing to contribute more "if it would allow me and others to continue to receive meals"

There were responses from 153 or 10% of the Home Delivered Meal participants and 100 or 4% of the Congregate participants. 1/12/95

Attachment C

FAIRVIEW MINISTRIES, INC.

210 Village Drive • Downers Grove, IL 60516-3056
(708) 769-6000 • FAX (708) 769-6020

January 23, 1995

The Honorable Harris W. Fawell
House of Representatives
Longworth HOB
Washington, DC 20515

Dear Mr. Fawell:

We are writing in regard to the Older Americans Act and specifically the Senior Nutrition Program that is part of that Act.

Fairview Baptist Home has worked in concert with the DuPage Senior Citizens Council to provide both meals and volunteers for transportation of these meals to seniors in our community. We understand that proposed changes in this Act would remove the senior nutrition programs and place them in a welfare block grant to the states. Home Delivered Meals is not a welfare program. In fact, its presence serves to keep seniors off of the welfare roles by allowing them to live longer in their own homes and thereby either delay or eliminate the very expensive institutional alternative. In addition to this, by keeping them off welfare, it allows them to maintain pride and dignity in the midst of a period of time when they experience many losses. I have yet to see an older person who was not devastated when their financial resources were exhausted and they were required to accept public assistance.

We request that you be an advocate for the seniors in your congressional district and for the nation by making every effort to retain the Senior Nutrition Program as part of the Older Americans Act.

Thank you very much for your assistance and support.

Very truly yours,

Wesley P. Ringdahl

Wesley P. Ringdahl, CFACHCA
President

SPONSORED BY THE BAPTIST GENERAL CONFERENCE

Participant Experiences Attachment D

Letter from Congregate Participant

"I am a diabetic, and, as such, I have special diet needs and restrictions. Several mornings weekly I come to participate in senior activities. I have tried for a year to find a place for lunch that is not too expensive, too slow, too far away or not beyond my diabetic diet. As a result I have not followed my diet and have felt the effects on my health.

In this program, I get a balanced diet with special substitutions well within my time frame. The food is good and well chosen, and I can afford it on my teacher's pension.

This has been a great help to my health. Unless I can find some way to keep my special diet, I shall have to go on insulin. With these meals, I probably can avoid this."

Home Delivered Meal Participant ...

is the primary caregiver for his wife who is suffering from Alzheimers. Their home delivered meals assure that they receive one balanced meal each day. One day he was not at home to receive the meal when the volunteer arrived. The Dining Center Director called and he began crying, saying that it was one of his wife's "difficult" days. He was unable to get her home from her Dr.'s appointment in time to receive the meal. The Director took two meals over and learned that he would welcome any support. One of the volunteers who delivers their meals (a young man of 82) had cared for his wife who also had Alzheimers. This volunteer arranged to deliver George's meals last so they had time to visit and they began attending an Alzheimers support group together. When the time came for his wife to enter a nursing home, he had the support of others to guide him through making this difficult decision.

Congregate participant

A 75 year old World War II veteran participates daily in the Nutrition Program. He uses a walker; but is still able to drive. He has a regular medical check up at Hines VA Medical Center and has had the meal program menu approved by hospital staff. When his military records were lost, he spent almost two years researching and writing his experiences as a Marine in the South Pacific. A secretary at the Center offered to type the paper. As a result, he was awarded the Purple Heart on May 3, 1991. He chose to have the ceremony with all his friends from the Center in attendance.

Congregate and Home Delivered Meal Participant...

lives at home with her son. She kept putting of a needed hip replacement surgery. When her son became engaged, she had the surgery. She discontinued meals during the time she spent at a rehabilitation center. One of her volunteer drivers visited her at the center. They phoned to say her mood had improved from that visit and her therapy was progressing with much more enthusiasm. She came home, continued therapy, and eventually recovered enough to come for Congregate meals. The social benefits of her participation allowed her son to feel free to marry and she walked him down the aisle!

Chairman GOODLING. Thank you.
Mr. Temple-West.

STATEMENT OF PATRICK F. E. TEMPLE-WEST, DIRECTOR, NUTRITION DEVELOPMENT SERVICES, ARCHDIOCESE OF PHILADELPHIA

Mr. TEMPLE-WEST. Thank you, Mr. Chairman.

Good morning to Mr. Greenwood, in whose district we provide many child nutrition programs.

I direct an office of the Roman Catholic Archdiocese of Philadelphia. This office is charged with providing meals and other food assistance programs to children and the needy. This office, called Nutritional Development Services, operates all of the federally subsidized child meals programs that serve mostly needy children.

I have attached a sheet which will give you an idea of the size of our programs. NDS also provides other Federal, State and nongovernment supported food programs to the needy. In the past NDS has operated the elderly nutrition program.

We applaud the opening up of the Federal food assistance programs for serious examination. It will foster debate and ensure that they are meeting the expectations of the American people; namely that they are needed, that they work, and that they are cost efficient.

Thank you for asking for the input of a frontline provider. We providers have to deliver what Congress and the administration proposes. We see this process as opening discussion, weighing all alternatives, and arriving at consensus.

Your initiative has certainly stirred things up. Ideas are being floated that would have been unthinkable six months ago. The revolution of renewal and innovation is upon us.

Our initial reaction to Title V of H.R. 4 is puzzlement. We question the appropriateness of including child meals or WIC or even the elderly nutrition program in a bill to restore the American family, reduce illegitimacy, control welfare spending and reduce welfare dependence.

We would argue that the primary purpose of child meals programs is to preserve the health of the child and to achieve other goals such as better educational performance and lower health costs. We note that the elderly nutrition program is not even means tested. This bill changes the whole rationale of these programs.

An example of the effect of this change in rationale can be seen on our special milk program. This program contributes to the health of children, their educational performance, and encourages the consumption of milk.

We provide this program in 23 schools located in working and middle class neighborhoods; 3,400 working and middle class children get a half pint of milk for 10 cents each day. This legislation would eliminate this benefit. These working and middle class families would now have to pay between 25 and 35 cents for the same milk. Our program would cease. The consumption of milk would fall by at least two-thirds, and the health, educational and consumption benefits would be lost.

Title V sets out an extreme position. It provides a good starting place and we would hope there is room for discussion and compromise. We recommend that the revolutionary change in purpose of these programs be given time to be adequately debated, and if agreed upon, achieved over a longer period of time than is presently anticipated.

The legislation brings four separate areas of change and challenge to NDS, to my office, at the local level. They are: that only needy children can be assisted; capping funding—funding can be capped without block grants; block grants to States; and removal of administrative regulations.

Capping funding gives us most concern. If it is difficult to cap school meals, it is more difficult to cap childcare meals. All of these child meals programs are interrelated and face similar problems in this regard. It is the child who comes for food, not the parent, as in other programs. The child does not understand why he or she cannot get a meal. The current entitlement for child meals programs should be continued.

This provision will also have the most administrative impact. It will turn the programs on their heads. Capping the program would probably change the method of reimbursement from a performance-based model to a grant model similar to that of the elderly nutrition program. This model will be difficult, if not impossible, for single site and small providers to follow.

We recommend that all of the child meals programs be removed from this legislation and considered separately as a group. We recommend the consideration be given to reducing costs for more efficient administration and that costs be reduced by modifying benefits, and as this legislation implies, thereby reducing dependency.

We offer the following suggestion that we think can achieve the goals of H.R. 4 without hardship, in the spirit of cooperation and partnership for providing a service that is needed, that works, and is delivered effectively.

These are examples for reducing program cost, for reducing benefits. They are advanced with some hesitancy. If we can think of these, there must be others, perhaps more appropriate. We are not social scientists and have no idea if reduction of benefits will reduce dependency. Our own anecdotal experience is that reduction of benefits in the elderly community increases homelessness.

If benefits are to be reduced, we suggest that benefits be reduced for older children rather than younger children. For example, consideration could be given for eliminating subsidies served to senior high students. By this age the nutritional experience of the school meals program should be bearing fruit.

We note that the upper age limit for children seems to be arbitrary and for administrative convenience. We aren't sure for the scientific reason for setting it at 18. The upper limit for childcare meals is 12.

We suggest that consideration be given to permitting schools and childcare centers to accept a nominal payment for all meals. The reimbursement could reduce by a lesser amount to encourage participation. This would allow the option to accept the money or absorb loss.

We suggest limiting childcare center eligibility to geographic areas specified under the meals program. This would appear to support goals of H.R. 4.

We suggest considering replacing the nutrition education training program funding with an option or requirement that a percentage of the program costs to a sponsor of child meals programs goes for nutrition education.

Reduced program cost through administrative efficiencies. Here we make these recommendations without reservation or equivocation as an area where we see that change is needed. We need only one child meals program. There are two major laws governing child meals programs, the National School Lunch Act and the Child Nutrition Act. The location of each program in these two laws is historical and arbitrary.

For example, school lunch is governed by one. School breakfast by the other. We recommend that they be combined into one piece of legislation.

There are five sets of regulations regulating each program. We recommend one set of regulations for all of them. We recommend one program be created providing meals to children in different locations under different circumstances and just as the childcare program now does, with different reimbursement rates and administrative requirements. These can be specified for each of the special circumstances such as in school, during the summer, in childcare, or in homeless shelters, et cetera.

At the very least, this recommendation would half the legislative overhead of these programs, reduce the number of entitled programs by four, reduce the code of Federal regulations by a quarter of an inch, reduce the legislative staff time and cost, reduce legislative printing cost, reduce the USDA staff time writing the legislation, reduce printing costs to the code of Federal regulations and possibly reduce the number of USDA and administrative staff overseeing the programs.

Since most officials sponsor one type of program, most sponsors will not see much change. But those who sponsor more than one type would greatly benefit. There would be one set of procurement standards, one set of eligibility standards, one set of audit review procedures, et cetera.

Thank you for the opportunity to come before you at this most important time. I would be happy to address any questions or concerns the committee may have.

[The prepared statement of Mr. Temple-West follows:]

Testimony of

Patrick. F.E. Temple-West
Director
Nutritional Development Services
Archdiocese of Philadelphia
111 South 38th Street
Philadelphia PA 19104
(215) 895-3470

Before the

Committee on Economic and Educational Opportunities
U.S. House of Representatives

William F. Goodling, Chairman

February 1, 1995

My name is Patrick Temple-West. I direct an office of the Roman Catholic Archdiocese of Philadelphia called Nutritional Development Services. This office is charged with providing meals and other food assistance to children and the needy. This office operates all of the federally subsidized meals programs serving mostly needy children. I have attached a sheet which will give you an idea of the size of our programs. NDS also provides other federal, state, and non-government supported food programs to the needy. In the past NDS has operated the elderly nutrition program.

We applaud the opening up of federal food assistance programs for serious examination. It will foster debate and ensure that they are meeting the expectations of the American people, namely that they are needed, that they work, and that they are cost efficient.

Thank you for asking for the input of a front-line provider, we providers have to deliver what congress and the administration proposes.

We see this process as opening discussion, weighing alternatives, and arriving at consensus. Your initiative has certainly stirred things up. The immediate beneficiaries have been telephone companies and fax machine sellers. Ideas are being floated that would have been unthinkable six months ago. The revolution of renewal and innovation is upon us.

Our initial reaction to Title V of HR4 is puzzlement. We question the appropriateness of including child meals programs or WIC in a bill "To restore the American family, reduce illegitimacy, control welfare spending and reduce welfare dependence." We would argue that the primary purpose of child meals programs is to preserve the health of the child and to achieve other goals such as better educational performance and lower health costs. We note that the elderly nutrition program is not even means tested.

This bill changes the whole rationale of these programs.

An example of the effect of this change can be seen on our special milk program. This program contributes to the health of children, their educational performance, and encourages the consumption of milk. We provide this program in 23 schools located in working and middle class neighborhoods. 3,400 working and middle class children get a half pint of milk for 10 cents each day. This legislation would eliminate this benefit. These working and middle class families would now have to pay between 25 and 35 cents for the same milk. Our program would cease. The consumption of milk would fall by about two thirds and the health, educational, and consumption benefits would be lost.

Title V sets out an extreme position. It provides a good starting place and we would hope that there is room for discussion and compromise. We recommend that the revolutionary change in purpose of the programs be given time to be adequately debated, and if agreed upon be, achieved over a longer time period than is presently anticipated.

BEST COPY AVAILABLE

The legislation brings four separate areas of change and challenge to NDS at the local level. They are; only needy children can be assisted; capping funding (funding can be capped without block grants); block grants to states; removal of administrative regulations.

Only needy children to be assisted

If we understand the Lower Living Income Standards, the upper limit of eligibility would be, for NDS in the Northeast, about 170% of poverty. This is a little less than the reduced price cut-off, but for us, the difference is negligible. Other areas of the country with different limits may have different concerns. Since NDS serves mostly needy children this restriction probably would not affect NDS programs much in the short term. The removal of support for paying children would increase the disparity between those in a school or center getting free and those paying. This stigma would make the program harder to introduce in marginal schools.

It will eliminate our special milk program. It will require additional money from about 30% of our school meals program parents to participate; as many as 50% of these may drop out. It will have a lesser impact on child care.

If individual eligibility determination is required for the summer program, that program will be drastically reduced, by at least 50%.

We do not see eligibility paper work decreasing. The legislation specifies that recipients must be economically disadvantaged.

Our colleagues inform us that this provision will end the school lunch program as we know it. They are predicting a catastrophe. We at NDS, with our emphasis on needy children, are not as alarmed.

Capping funding

Capping the funding gives us most concern. If it is difficult to cap school meals, then it is more difficult to cap child care meals. All of these child meals programs are inter-related and face the same problem in this regard. It is the child who comes for food; not the parent, as in other programs. The child does not understand why he or she can not get a meal. The current entitlement for child meals programs should be continued.

This provision will also have the most administrative impact. It will turn the programs on their heads. Capping the program would probably change the method of reimbursement from a performance based model to a grant model similar to that of the elderly nutrition program. This model will be difficult, if not impossible, for single site and small providers to follow.

Block grant to states

The legislation contains a sub block - child meals programs. It recognizes the uniqueness of these programs, that they are similar in purpose and operation. We applaud this insight on the part of the legislation. We agree that they should be treated as a unit.

We anticipate that there will be competition between the various providers for the limited funds. In this we see a new area of paper work - a justification of need. The ability of children to receive food will be based on a providers grant writing ability - the case that it makes for the need of the children. We would also expect some evaluation built into the provider requirements. NDS could handle this but probably not single or small providers.

We would add the homeless meals program to this category of service.

If we must have block grants we would recommend more than one block grant. This would limit the competition for funds within the block grants to like programs.

We recommend:

the separation of food stamps into its own block grant,

a child meals block grant (keeping all of the meals programs together as in the present legislation). We would prefer not to block grant this area.
- school meals
- child care meals
- summer meals
- special milk
- Homeless meals

an elderly block grant
- Elderly nutrition program
- adult care meals

a community nutrition block grant(presently non-entitled)
- WIC
- Farmers' market coupons
- Institutional commodities

Elimination of administrative restrictions

The federal government may eliminate its administrative restrictions but no one is going to give sponsors money without guidelines. They will be replaced at the state level. These could be more or less onerous. States would probably continue the federal regulations for the short term. We see no reduction in paper work and anticipate an increase in statistical reporting to justify need.

RECOMMENDATIONS

We recommend that all of the child meals programs be removed from this legislation and considered separately as a group. We recommend that consideration be given to reducing costs through more efficient administration and we also suggest that costs can be reduced by modifying benefits (and as this legislation implies, thereby reducing dependency). We offer the following suggestions that we think could achieve the goals of HR4 without the hardship. We offer them in the spirit of cooperation and partnership in providing a service that is needed, that works, and that is delivered efficiently.

Examples for reducing program costs through reducing benefits

These examples are suggested for the purpose of stimulating discussion, they are advanced with some hesitancy, we are not advocating their adoption but suggesting them as possibilities. If we can think of these, then there must be others, perhaps more appropriate. We are not social scientists and so have no idea if reduction in benefits will reduce dependency. Our unscientific and anecdotal experience is that reduction of benefits in the low income community increases homelessness. We recommend that benefits reduced in one area be compensated for in other areas.

If the benefits are to be reduced, we suggest that benefits be reduced for older children rather than for younger children. For example, consideration could be given to eliminating subsidies for meals served to senior high students. By this age the educational experience of the school meals program should be bearing fruit. We note that the upper age limit for children seems to be arbitrary and for administrative convenience. We are unsure of the scientific reason for setting it at 18. The upper limit for child care meals is 12.

We suggest that consideration be given to permitting schools and child care centers to accept a nominal payment for all meals. The reimbursement could be reduced by a lesser amount to encourage sponsor participation. This would allow the sponsor the option to accept the money or absorb the loss.

We suggest considering limiting child care center eligibility to geographic areas as specified under the summer meals program. This would appear to support the goals of HR4.

We suggest considering replacing the N.E.T. program funding with an option or requirement that a percentage of program costs of the sponsor or child meals programs go for nutrition education.

Reduce program costs through administrative efficiencies

Here we make these recommendations without reservation or equivocation. This is the area where we see that change is needed. We need only one child meals program.

There are two major laws governing child meals programs; National School Lunch Act and the Child Nutrition Act. The location of each program in these two laws is historical and arbitrary; for example, school lunch is governed by one, school breakfast by the other. We recommend that they be combined into one piece of legislation.

There are five sets of regulations each regulating each separate program. We recommend one set of regulations for all of them.

As is implied in Title V, all of the child meals programs are connected. It is very difficult to separate out one without effecting another. School lunch, breakfast, and special milk are school based programs. However the school lunch programs can be served in residential child care institutions, special milk can be provided in child care centers. The summer meals program is essentially a continuation of the school meals program for needy children during the summer. The Child and Adult Care Program actually has three separate programs contained within it; child care centers, child care homes, and adult care centers and has no problem including three meals. These centers also provide after school snacks to school children. A school can be licensed as a school and a child care center and provide after school snacks.

We recommend one program be created providing meals to children in different locations and under different circumstances, and, just as the child care program now does, with different reimbursement rates and administrative requirements. These administrative requirements can be specified for each of the existing special circumstances such as in school, during the summer, in child care, in homeless shelters, etc.

At the very least this recommendation would,

halve the legislative overhead for these programs,
reduce the number of entitled programs by four,
reduce the code of federal regulations by a quarter of an inch,
reduce legislative staff time and costs,
reduce legislative printing costs,
reduce USDA staff time writing the regulations,
reduce the printing costs of the code of Federal regulations,
possibly reduce the number of USDA and state administrative staff overseeing the programs.

Since most organizations only sponsor one type of program, most sponsors would not see much change. But, those of us who sponsor more than one type of program would be greatly benefited; there would be one set of definitions, one set of procurement standards, one grievance procedure, one set of eligibility standards, one set of audit and review procedures, etc.

Federally supported child meals programs provided by Nutritional Development Services

Daily number of sites and children served

National School Lunch Program, School Breakfast Programs

53 schools
27 residential child care institutions

1,300 breakfasts
6,400 lunches

Special Milk Program

23 schools

3,400 milks

Child and Adult Care Program

54 child care centers

1,500 breakfasts
1,500 lunches
1,800 snacks

Summer Food Service for Children

492 community sites

16,500 breakfasts
26,000 lunches

Homeless Children Food Program

4 shelters

120 breakfasts
110 lunches

Chairman GOODLING. Thank you.

I would tell Ms. Hurt that your Congressman is in a full committee hearing on the Agriculture Committee right now on food stamps. So, that is why he is not here.

Ms. Hurt.

STATEMENT OF MARILYN HURT, FOOD SERVICE SUPERVISOR, SCHOOL DISTRICT OF LACROSSE

Ms. HURT. I am sorry he isn't here.

Chairman Goodling, Members of the committee, I appreciate the opportunity to be with you this morning. I am Marilyn Hurt, the supervisor of school nutrition programs for LaCrosse, Wisconsin. We are proud to have Congressman Steve Gunderson represent us on this committee.

I would ask that my written testimony be included in the record. But this morning I am here to tell you about our programs in LaCrosse.

We have an excellent school nutrition program in LaCrosse. In fact, there was a front-page article in the LaCrosse Tribune last week about an innovative meal program that we just began with second semester. But today what I want to do is share with you areas where we could increase our cost effectiveness. And I want to review how Title V of H.R. 4 would impact our program in LaCrosse.

We have concerns about the PRA, and what it would do to nutrition programs. And I understand, Mr. Chairman, that you have shared some of the same concerns that we have.

It appears that we have a window of opportunity to restructure these programs in the weeks ahead. And I am here to volunteer to help with the process.

As I have read of the 104th Congress' efforts to reduce the size of the Federal deficit, I have considered how we might improve our programs' efficiencies. The first thing that seems to me that needs to be addressed is the whole process of collecting, reviewing, sorting, and tracking the income of the families who apply for the meal benefits.

Surely there are other agencies who are gathering and tracking the very same data. You know, I have one 10-month employee in my office that is there just to keep track of this information and see that it is all in order for an audit.

It used to be that at the beginning of the school year for the first two months all of us in the office really concentrated on the information with income and collecting that data. But now we must continually update that information, so it is become a full-time position.

Secondly, we need to have one program, and you have heard it mentioned here this morning already, to use a popular word in our business, a seamless program.

I brought with me the file that we have to turn in in order to have the summer food service program in nine sites in LaCrosse for a five-week program. This is what we send into the State of Wisconsin in order to have that program.

As you can see, it takes a great deal of time to fill out all of those forms. We need one contract for all programs with one set of rules.

We also need to eliminate some of the burdensome rules that are not friendly to children. For example, checking their plates at the end of the line to see that they have at least three items on their plate. That is no way to teach children how to eat. They glare at us when we tell them, "You need to go back for one more item," then they go get that item and later when they go to dump their tray they throw it away.

We would much rather be teaching children how to make the right choices, and then they are much more likely, we have learned from our experience, to take all the items and to consume them.

We also need to eliminate the stigma that is attached to this program, sorting kids out by income. PRA, Mr. Chairman, does not address these issues. In fact, it would only make my job of delivering nutritious food to children much more difficult.

Here is what would happen in LaCrosse. First, it would reduce our flexibility in providing meals when families really need it. In yesterday's LaCrosse Tribune, it was announced that one of our major companies laid off 200 employees on Friday. Under PRA, I would be unable to serve the families that would need the program at this time in their lives.

We also do a number of things to increase the efficiency. You know, we are right on the Mississippi River, and so we manage a program over in Minnesota, and our districts came together nine years ago and decided we could share reserves, the management resources.

Well, if we had PRA, and each State, Minnesota and Wisconsin, had different rules and regulations for us to follow, we would be unable to do that efficiently to manage the programs in both States.

Another thing that we do is we provide meals to smaller schools within our city. Last year we had four private schools. This year we have two private schools, because two schools dropped out of the program.

And I remember when the principal of St. Thomas more called me this summer and said, we just can't afford to keep this program going anymore. And I am sorry, it has been a wonderful program, but we cannot afford to do it.

And I believe that under PRA, we would lose more of those programs. We also know that prices would increase with this. And participation would drop. I mean, when we raise our prices a nickel, we saw—the last time we did this, we saw a decrease in the paid meal participation of 4.4 percent. A nickel. And we lost those students.

So if we had the PRA, we are estimating prices would go up 50 cents, 60 cents, 65 cents. What would happen to the paid meal participants? And then as a result, we end up only feeding the needy. Once again, we are dealing with the stigma issue and it would only be poor children in the line.

Finally, I am concerned that there would be no nutrition standards guiding this program. The parents in our district have told me time and time again that they know when their children eat school lunch and school breakfast with us that they can depend on these meals being nutritious. I am glad to have their trust. I want to keep it.

In conclusion, I bring to you a resolution that was passed by the LaCrosse Board of Education on January 16. We had two very good discussions about how our programs are funded and how we keep them financially sound as a result of the PRA being introduced. And so they have asked me to bring to you three things that they would like for to you do as you consider your decision.

First, preserve the child nutrition programs for all children.

Secondly, maintain the nutrition integrity of these programs.

And finally, provide us with performance-based funding as you continue your long support of these programs so that we can rely on the funding as we plan our programs.

I appreciate being here today, and I would be glad to answer any questions.

Thank you, Mr. Chairman.

[The prepared statement of Ms. Hurt follows:]

Testimony

of the

American School Food Service Association

before the

Economic and Educational Opportunities Committee

February 1, 1995

Chairman Goodling, Members of the Committee, I appreciate the opportunity to be with you this morning. I am Marilyn Hurt, the Director of Child Nutrition in LaCrosse, Wisconsin. We are very proud of our representation on this Committee by Congressman Steve Gunderson. I also serve as the Chairperson of the American School Food Service Association, Public Policy and Legislative Committee. We appreciate the opportunity to be here and share our views on the nutrition block grant.

The National School Lunch Act was enacted in 1946 "as a measure of national security" because so many young recruits failed their draft physicals due to nutrition related diseases. Building upon the success of the School Lunch Program, Congress enacted the Child Nutrition Act of 1966 "in recognition of the demonstrated relationship between food and good nutrition and the capacity of children to develop and learn."

Today, the School Lunch Program and the School Breakfast Program serve approximately 26 million and 6 million students a day, respectively. They are augmented by the Child and Adult Care Food Program, the Special Milk Program, the Summer Food Service Program, the Nutrition Education and Training Program and the Commodity Distribution Program. Collectively, they have been a positive, significant influence on the health and education of the nation's children and this is well documented through numerous studies.

For example, the 1987 research of Meyers and Sampson, et al, examined the effect of the School Breakfast Program on the school performance of low-income elementary school children in Lawrence, Massachusetts. Children who participated in the School Breakfast Program were shown to have significantly higher standardised achievement test scores than non-participants. Children getting school breakfasts also had significantly reduced absence and tardiness rates. These federal programs work. They are a national success story.

Given the size of the federal deficit, all federal programs should be scrutinised for their effectiveness. Child nutrition programs are no exception. The American School Food Service Association (ASFSA) approaches this review with an open mind. Indeed, we have been very critical of the status quo, and how administratively complex it is to deliver nutritious meals to the nation's children.

We have several core beliefs that are based upon our experience in schools -- with children -- and the school nutrition programs:

1) You Can't Teach a Hungry Child

Providing access to nutritious meals and nutrition education for all children should remain a high national priority. It is both the right thing to do and the pragmatic thing to do. President Richard Nixon may have said it best: "A child ill-fed is dulled in curiosity, lower in stamina, and distracted from learning."

2) School Nutrition Programs are Not Welfare Programs

Federal funding for child nutrition programs (including commodity support) is provided to local schools so all children can be prepared to learn. Child nutrition programs are not a transfer payment to individuals or families, and their funding should, therefore, not be considered in the context of welfare reform.

3) Reliable Federal Funding is Needed

The local school must have a reliable source of performance based federal funding if programs are to operate effectively and provide nutrition services to all children.

4) Nutrition Goals Ensure Quality Programs

National nutrition goals and standards are essential to ensure consistent quality programs for all children.

It is with these core principles in mind that we must share our deep concern over Title V of H.R. 4, the Personal Responsibility Act:

- The PRA repeals all child nutrition programs and the Commodity Distribution Program. Performance funding is eliminated for the School Lunch and Breakfast Programs, the Child and Adult Care Program, and the Special Milk Program and the Summer Food Service Program. This makes it virtually impossible for schools to have the reliable funding and flexibility needed to respond to changes in meal participation due to increased enrollment and changes in the local economy.

Performance funding also provides schools with a sound financial base that is essential for contracting with the private sector for food, equipment and service and the employment of personnel. It would be impossible for local school boards to enter into contracts and set meal prices for the new school year without knowing in advance the amount of federal reimbursement or contribution that would be available. In fact, many schools would be unwilling to continue operating the program with this financial insecurity.

- The PRA cuts child nutrition funding, including commodity support, by approximately 17 percent in FY 1996, assuming the Congress appropriates the full amount authorized by the Act. It is likely that funding will further erode starting in 1997, and could be completely eliminated by the year 2000.

- The PRA as currently introduced restricts how the federal block grant can be used at the local level, increasing administrative costs and inhibiting flexibility. For example, schools could not use federal dollars to support the basic infrastructure of the program so that all students, regardless of income, may benefit from the program. All funding would have to be used for economically disadvantaged children. Further, schools could not use any of the federal funds to provide meals to non-citizens, including legal aliens.

- The PRA does not provide any nutrition goals or standards for child nutrition programs. Goals and standards, based upon the nationally adopted Recommended Dietary Allowances, the Dietary Guidelines and the Food Guide Pyramid are needed to ensure quality meals for children. These are research based national standards and guidelines that need to be applied nationwide in all schools.

For the reasons stated, the Personal Responsibility Act, as introduced, jeopardizes continuation of the School Lunch Program in more than 40,000 schools (of the 93,000 schools participating in the program). Our opinion is based upon a Library of Congress study done in 1985 and our experience with the budget cuts of 1981.

In each of the 93,000 participating schools, The National School Lunch Program operates as a business--a non-profit business. The PRA dramatically reduces revenue and increases the cost of business. For example, schools with a high percentage of

non-poor (i.e., "paid" meals) would lose 100 percent of their funding for students in this category. Many of these "paying" children are from middle income families. As a result, many of these schools simply could no longer afford to operate their lunch and breakfast programs, and when this happens, none of the children have service, including children from low income families.

The American School Food Service Association is a non-partisan, goal-oriented organization. Our goal is to provide children with nutritionally adequate meals and nutrition education so they may be productive students and healthy adults who are prepared to positively contribute to our national life and the global economy.

As the welfare system is reformed, we believe it is essential to retain a national commitment to child nutrition programs. These programs should be strengthened and integrated into one seamless program for all children. But this cannot effectively be discussed in the context of a highly charged welfare debate. The nutrition services provided through the National School Lunch Program, the School Breakfast Program, the Child and Adult Care Food Program, the Special Milk Program, the Summer Food Service Program and the Commodity Distribution Program are essential for protecting the health and enabling the education of the nation's children.

Mr. Chairman, we do appreciate that this Congress is going to disagree with President Clinton on a number of policy issues.

It is our hope, however, that in the area of child nutrition the bipartisan support that has existed for these programs in the past will continue in the future. It was President Harry Truman who signed the National School Lunch Act. It was President Richard Nixon, after the 1969 White House Conference on Food, Nutrition and Health, who expanded the School Lunch Program. He signed into law a number of statutes, including Public Law 91-248 and Public Law 92-153 that established uniform national guidelines for the free and reduced price meal program, and established guaranteed levels of reimbursement for all lunches. The legislation also required the Secretary to determine the need for additional funds for the School Breakfast Program and for non-food assistance. President Clinton in his recent State of the Union message identified "school lunches in all our schools" as a fundamental national need.

Mr. Chairman, as you know, we are already losing schools from the National School Lunch Program. The General Accounting Office's recent report to Congress identified over three hundred schools that have voluntarily terminated their participation in the School Lunch Program since 1989. For these schools, it was largely a business decision i.e., the level of federal reimbursement was inadequate to compensate the schools for the administrative cost of the program. The FRA would exacerbate this problem by eliminating performance funding and reducing funding by 17 percent in FY 1996. Also, administrative burdens and the cost to the local school would be increased. The school nutrition programs have sustained the health and education of the nation's children for almost 50 years. We believe this national

commitment should continue. We therefore urge the Congress to reject Title V of H.R. 4 as introduced, specifically as it would affect, the school based nutrition programs --- School Lunch, School Breakfast, Child Care Feeding, and the Summer Food Service Program.

Mr. Chairman, thank you again for this opportunity. The National School Lunch Act will celebrate its 50th anniversary on June 4, 1996. We look forward to working with this Committee, and the other authorizing Committees of Congress to fashion a streamlined, efficient child nutrition program that will serve all children into the next century. I would be pleased to answer any questions that you may have.

-0-

RESOLUTION by the Board of Education
School District of LaCrosse
LaCrosse, Wisconsin

WHEREAS the **National School Lunch Program** was established in 1946 "as a measure of national security, to safeguard the health and well-being of the Nation's children";

WHEREAS the **Child Nutrition Act of 1966** was enacted "in recognition of the demonstrated relationship between food and good nutrition in the capacity of children to develop and learn";

WHEREAS federal dollars for the School Lunch and Breakfast Programs comes into the school district to provide nutritious meals to prepare all children to learn and to become part of the basic infrastructure of education;

WHEREAS the School District of LaCrosse believes that a healthy, well-nourished child is better prepared to learn; (Policy EF)

WHEREAS the School District of LaCrosse believes that all children need to receive nutritionally adequate meals and nutrition education; (Policy EF)

WHEREAS research has documented that a hungry child cannot learn and that a child ill-fed is dulled in curiosity, lowered in stamina, and distracted from learning;

WHEREAS the School District of LaCrosse serves over 750,000 lunches and 225,000 breakfasts to students each year;

WHEREAS the School Lunch and School Breakfasts Programs are not welfare programs but education support programs;

WHEREAS federal funding in the form of block grants are subject to annual appropriations and would not assure funding for nutrition programs;

WHEREAS the School District of LaCrosse shall promote public policy which will provide adequate funding for child nutrition programs in schools. (Policy EF)

NOW THEREFORE BE IT RESOLVED THAT the Senate and House of Representatives of the United States should preserve the child nutrition programs for all children, maintain the nutrition integrity of the school nutrition programs, and provide performance-based funding of the **School Lunch Program, the School Breakfast Program, and the Commodity Distribution Program**, continuing their long support of these essential federal programs.

January 16, 1995

Chairman GOODLING. I wanted to thank all of you for testifying this morning.

Before I ask Mr. Clay to begin the questioning, I do want to make sure that everyone understands that the Chairman does not believe that block granting is revenue sharing. The Chairman has made that point, and the Speaker has indicated to all Chairmen that block granting is not revenue sharing. We must have goals that anyone must attain who receives any of the funds, and we must have a way to assess whether they are reaching those goals or not.

Revenue sharing, when you are trillions of dollars in debt, doesn't make very much sense.

So I would ask Mr. Clay to begin the questioning.

Mr. CLAY. Thank you, Mr. Chairman.

First of all, I ask unanimous consent to insert two documents in the record, one entitled "Should Federal Food Assistance Programs Be Converted to Block Grants and To Develop Budget Priorities," and the second article is one from one of my constituents, Lindy Russ. I ask unanimous consent to insert those.

Chairman GOODLING. So ordered.

[The information follows:]

Older Adult Community Action Program (OACAP)
8420 Delmar Blvd., Suite LL10
St. Louis, MO 63124 Phone: (314) 993-3571

OFFICERS
Martin M. Goodman
President
Larry Lieberman
1st Vice President
Barbara Barnum, Ph.D.
2nd Vice President
Mike Lanoff
3rd Vice President
Rose Klamon
Secretary
Virginia Brown, Ph.D.
Parliamentarian

DIRECTORS
Morris Alex, M.D.
Evelyn Appelbaum
David Barnum
Jack Berin
Nessen Blumberg
Charles Brown
Sylvia Dabney
Roberta Goldman
Mary Ann Gutman
Sylvia Kaplan
Buddy Liebman
Hadassah Liebman
Sheila Levin
David Light, D.O.
Leonard Lippel
Ruth Mariam
Mary Belle McLean
Silla Miller
Buddy Newman
Herman Rose
Phyllis Rothschild
Marcella Sachs
Letty Schainblatt
Pearl Sherman
Miriam Spector
Frieda Taylor
Mariah Weis
Ivy Wise
Agate Zimmerman
Dan Zimmerman
Leah Zwibelman

Linda T. Ruse
Director

January 31, 1995

Ms. Betty Lee
Office of Congressman William Clay
5261 Delmar Blvd.
St. Louis, MO 63108

Dear Betty:

Following up with our conversation this morning, please find attached a statement on the potentially devastating consequences of the food assistance block grant and a "means test" for older Americans.

As you know, the Personal Responsibility Act calls for the block granting of all food programs that are geared towards low-income Americans of all ages. The major problem with the lumping together of all programs into a food assistance block grant is that Title III nutrition programs would be taken out of the Older Americans' Act which could have dire consequences to older Americans.

Should you have any questions, please feel free to call me. I hope this information is helpful for the Congressman.

Sincerely,

Linda

Linda T. Ruse
Director

LR/ep

The Senior Nutrition Program, Title III of the Older Americans' Act, is an example of a program that helps older Americans, many of whom are frail and/or disabled, remain in the community. It is not in the best interests of our older Americans or our country to tamper with the Act... and this is why.

The senior nutrition programs are a fundamental part of a comprehensive service system aimed at keeping older Americans at home, supporting family caregivers, and avoiding unnecessary and costly institutionalization. Any significant restructuring of the Older Americans' programs could have far reaching effects on the entire network of services for the elderly, the consequences of which would cost much more than what is presently being earmarked for these programs.

The Older Americans' Act Nutrition Program provides meals that must meet 1/3 of the individual's recommended dietary allowances. In most instances, this meal that is eaten in a congregate setting or delivered to a person homebound is the only daily hot meal he or she will have.

With the increasing aging population and more individuals remaining in their homes who are unable to access the congregate meal sites, the delivery of nutritious meals to the homebound elderly is a critical component for their maintenance in the community. Many of the "Meals on Wheels" programs are delivered by volunteers of all ages. For many seniors, the one meal per day which they receive is often the difference between remaining in one's own home or having to be in a institution.

There is no income restriction for participants in the nutrition programs, but state and local agencies that administer these programs must target meals to persons most in need. The congregate meals program provides group meals in senior centers, churches, and other community locations. In 1992, nearly 135 million meals were served to 2.5 million persons. The home-delivered meals program targets assistance to frail, homebound individuals. In 1992, nearly 106 million home-delivered meals were served to over 820,000 persons. Imagine the consequences to these people in need if this program were cut.

With the implementation of a "means test", there could potentially be a lot of older Americans who may not qualify for a meal, but who need to have a hot meal for their nutritional standards as well as for socialization with other people. Furthermore, many older Americans that come to congregate meal sites are unable to cook for themselves. They are unable to access supermarkets to buy food because they lack transportation.

Page Two:

Instituting a "means test" would cost the states millions of dollars, thereby diverting funding for direct service to funding for administration.

A "means test" would destroy the dignity of older Americans and force them into a welfare program. We must keep in mind that one of the intents of the Older Americans' Act was to maintain the dignity of our elders by providing them with the basic need of nutrition. A "means test" would have devastating consequences to limit access to meal programs. Let's keep the Older Americans' Act in tact!

Mr. CLAY. Mr. Fersh, it is——

Chairman GOODLING. I am being corrected. Without objection, rather than so ordered.

Mr. CLAY. You can order it now. You have got the gavel. I would order it if I were sitting in your place.

It is my belief that we have an obligation, and it is in our national interest to provide to every child a nourishing meal. We know that there is a direct correlation between hunger and the learning process. Children who come to school hungry tend to not do as well as others. And there is no justifiable reason to reduce funding or to permit people at the State level to choose among various food programs.

My questions to you are, one, if the nutrition programs are permitted to be administered by States in the form of block grants, how do we maintain the quality of food services?

And two, how do we ensure that those most in need will receive food assistance?

Mr. FERSH. Mr. Clay, those are excellent questions. First, how do we maintain quality and ensure that everyone who needs the assistance gets it.

Let me first say that none of us know fully how a block grant would work over time. And I think people are constantly looking for ways to design this to deal with the many issues that are being raised.

I will also say that in 1981, I served on the staff of the Senate Agriculture Committee, and at that time played a major staff role in designing the huge cutbacks in nutrition programs that occurred at that time, cutbacks that did hurt the programs, in my view, but allowed them to continue to serve their essential function.

I have a deep concern—I think this is why we are here today, many of us, and I think fairly unanimous amongst us—that the block granting as a concept is the beginning of the end of these programs in terms of their ability to either maintain quality or maintain level of service.

We think that over time it is very difficult for these programs to have a formula that works, that responds to all the changes in demographics and States from year to year, that responds to a closing of a factory within a particular school district, that allows States with limited funds to maintain the quality of nutrition.

You may remember in 1981, because of the cutbacks in funding, the Reagan Administration at that time wanted to give some States some increased flexibility on the quality of meals that were to be served, an understandable desire because there was less money to serve nutritious meals. Unfortunately, what that gave birth to was the "ketchup as a vegetable" fiasco, whereby diminishing the quality of the nutrition by giving States that flexibility. Actually the regulations would have allowed ketchup and pickle relish to count towards the vegetable requirement.

I am deeply concerned that a block grant approach, at least any of those that I have seen so far, would necessarily lead to either a drop in the level of service or the quality of meals provided.

Mr. CLAY. Thank you.

Ms. Hurt, I think you touched on this. The national school lunch program in most States is a voluntary program. In 1981, when sub-

sidies were reduced, around 2,000 schools dropped the program. The Personal Responsibility Act would triple those cuts.

What assurances can you give us that children, particularly low-income children, will continue to receive lunches at schools under the block grant approach?

Ms. HURT. Our concern with the PRA is that we cannot give an assurance that needy children would receive meals. Even in districts that have 8 or 9 percent of their students who qualify for those meals, there are still 8 or 9 percent of the children.

However, if 90 percent of their students would receive no funding, they would drop out of the program. And we have a number of those in our area who have already indicated to me. So we are going to lose those children.

The other thing I have wondered about is would the States send the money to us all equally, or would all of the money stay in Milwaukee, for example? And then I would not have the money to fund the needy children who are in my district, where I have a school that has 20 or 30 students who might qualify for that. Would that program then not have the funding?

Mr. CLAY. Thank you.

Chairman GOODLING. Mr. Greenwood.

Mr. GREENWOOD. Thank you, Mr. Chairman.

Let me preface my remarks by saying that my wife gives one of her lunch breaks a week to serve Meals on Wheels. And, we met when we were both social workers working with the youth agency in our county. We spent a lot of years between us in the poorest homes in our county.

I want to ask a question about the children school nutrition programs. I would like you to help me sort out the kids who are participating in it, because it seems like the ability to feed your children in the morning is a pretty rudimentary threshold test of whether you are prepared to parent those children.

It would seem to me that some children are in homes where their parents are incapable of providing them breakfast in the morning because those parents may be addicted to drugs and alcohol, not awake, not conscious, spending their money on food stamps, on other things. For those children, it would seem that not only are those parents unable to provide breakfast, but probably not breakfast, lunch, or dinner on the weekends. Maybe they cannot provide shelter or clothing or care. Those kids probably belong in the care of some other responsible adult, foster home or adoptive home.

There are children, I suppose, who come from homes where parents really are adequate parents in every other way, and despite our welfare or food programs, for some reason lack the resources to provide breakfast in the morning. And that makes me think if that is the case, what is wrong with our system that the food stamps and the aid for dependent children isn't sufficient for them to provide breakfast in the morning.

And then it would seem to me intuitively that there are parents who have the financial resources and capabilities but find it is convenient to allow their children to be fed in the school programs. To the extent that that might be the case, tell me if it is not the case, then we are creating a demand, where one doesn't really exist and maybe not using our resources very intelligently.

So I would like to hear from any one or all of you who work in the school lunch and breakfast programs, how we sort these children out.

Ms. HURT. Mr. Chairman, I would be glad to address that. I think we have to look at families today. And there are families who leave for work, they are very capable parents and good parents but they leave for work early in the morning. And so, you know, the children frequently have to fend for themselves——

Mr. GREENWOOD. Let me interrupt you there. Are these parents who leave their children unattended in the morning?

Ms. HURT. They could be. We are feeding children at all levels, middle school and high school as well.

Mr. GREENWOOD. It would seem to me that a child who is not old enough to prepare their own bowl of cereal in the morning is not old enough to be left alone in the morning. So there is the question in my mind that immediately rises about whether that is a neglected child.

Ms. HURT. That is also an ideal, you know, situation, that that will be taken care of in all families, but we also have children who are not hungry when they get up and get on the bus and they take a long bus trip and then they come in and that is when they are ready to eat. So that provides that for them also.

Mr. GREENWOOD. For this Member of Congress, that is a pretty long stretch to suggest that it is the Federal responsibility to take care of the child who hasn't been brought up with the notion that you get up and eat breakfast in the morning. I would like to hear from maybe someone else involved in the school lunch program, breakfast program.

Mr. BOEHLJE. I don't know that you can easily sort or provide a test that targets the students you want to target. But what is happening now is that the schools are using the programs, using the eligibility standards that are currently there to basically run the programs and provide for those students that either qualify or that need it or that want it, which may not be based on the qualification.

And I think you have to adopt the philosophy that that is the basic need of the program. That is what provides the programs that gets you to the students that have the need. And the next step—the next philosophy is, is that a necessary or a laudable effort for the Federal Government to provide aid to children? And I think it is. I think it is just a philosophy that you have to adopt and say, that is worthwhile and that is how we achieve it. And the program that you have now works.

The problem is you start reducing these funds and cutting these programs out, which is going to happen in a significant number of programs, you start cutting those funds out and you are eliminating a large core population of kids that need those meals in order to be educated.

Mr. FERSH. Mr. Greenwood, if there is time, I would like to add a brief—is there time?

Chairman GOODLING. Very briefly.

Mr. FERSH. What I would urge to you do is talk to the teachers and school nurses and the people in the schools about whether this works for them. Whatever the reasons are, I agree with you we

need to get to the underlying causes of poverty and parental responsibility.

Right now we have children arriving at school hungry. The teachers report absenteeism is down, tardiness is down, studies show that standardized test scores are up. So with that success I would suggest we look at the results and maintain this program until we are clear that we can deal with the underlying conditions in some other way.

Chairman GOODLING. Mr. Kildee.

Mr. KILDEE. Thank you, Mr. Chairman.

Mr. Chairman, I would like to follow up on the questions of Mr. Clay, because this is my 19th year on this committee. I have seen two attempts under two different Presidents before to cut these school lunch programs, and have seen the very negative effects from those attempts, and the fact of those cuts.

Today's schools receive funds to pay for the overall cost of the food program, as well as money for the free and reduced price meals. The Republican proposal would prohibit serving subsidized meals to students whose family income is 140 to 170 percent over poverty.

As you mentioned, in 1981–1982, when smaller cuts were made under President Reagan—and these are facts, not just speculation—when smaller cuts were made under President Reagan, at least 1,100 schools dropped their programs entirely; 350,000 students were no longer served. And they dropped their programs because of a basic principle, economic principle, economy of scale, when that number of students were not being subsidized, they were not buying, and then the free and reduced people then were deprived because the school dropped the program because the economy of scale made it difficult for them to keep the program.

Do you have any idea what the results might be under the I think more draconian proposal of the Republicans? Maybe can you start at that end of the table.

Ms. HURT. We have estimated that as many as 40,000 of the 93,000 schools might drop out of this program, which would affect as many as 10 million children. So we take that from a study that was done by the Library of Congress, and also from our own experience back in 1981 with what happened with those cuts.

Mr. KILDEE. Anyone else? From the archdiocese.

Mr. TEMPLE-WEST. It is an enormous question you are asking. We serve mainly needy children. Where we would see this is not so much in the reduction of money, but in the change of philosophy of the program.

If this program is now made a welfare program and is so labeled, our schools are going to question why we are teaching children to receive welfare through this meal program. And it is going to be a real philosophical problem for our schools to accept.

I would suspect that many of our schools that have 30, 40, 50 or more percent of full-price children will drop out of the program. And we figure that—I mean, since most of our schools are up in the 70 or 80 percent free, we would lose about eight or nine schools.

But it would have a chilling effect. The whole rationale of this whole program is set on its ear by this. So schools will really question what we are doing, perpetuating children on welfare.

Mr. KILDEE. You raise a good point. It is not just a welfare program, to use that term, because when Congress enacted this program after World War II, one of the driving reasons was that we discovered that young men mostly at that time were being inducted into the armed forces. Many could not pass their physical very often for the reason that when they were in their formative years they did not have good nutrition. So it was really in the national interest, the defense interest.

So there was more than just the welfare aspect of this. It was a question of the public health being involved. And that is the history of the school lunch program.

I know—I don't know what the numbers are exactly, but I know, just going from what has happened in the past, that there will be schools dropping out and students not being served if this is enacted.

Thank you very much, Mr. Chairman.

Chairman GOODLING. I can't miss the opportunity to say that since my friend—and maybe one of the only friends I have in the Congress of the United States—used the word Republican several times, I must say that when they were in the Majority, they did a lousy job of explaining the importance of this. It took a Republican to make them see the light.

Mr. KILDEE. Mr. Chairman, if I may say, I did not mean to be partisan. I was going to say, in the past we could always say administration. So I didn't know how to characterize this. But it did not come from us.

Chairman GOODLING. That is all right. You gave me the opportunity to get that.

Mr. KILDEE. And you are my good friend.

Chairman GOODLING. Mr. Ballenger?

Mr. McKeon.

Mr. MCKEON. Thank you, Mr. Chairman. I want to be your friend, too. It is great to have the Chairman as your friend.

Mr. Boehlje, I want to commend you for your efforts. I served on a school board for nine years, and a friend told me one time that anybody serving on a school board, there is a special place in heaven for you. So you are doing good work.

We all agree, I think, that we need nutrition, and we all agree that there is excessive bureaucracy. You can look at that book there and one of the goals is to cut it by a quarter of an inch. I would like to cut it out, maybe make it one page.

I think that each of you are very capable, and the members of the school boards that you represent across the country, Mr. Boehlje, I think are probably very capable people.

It disturbs me that we think that we have to run programs from Washington, that local school boards probably love our children less than we do here in Washington. I get the feeling that if it is not done from here, it won't happen because people in States and in communities don't love children.

You know, there is no free lunch. We are not giving these children lunch. We have a debt of $5 trillion. They are going to be the

ones paying for it. But they are going to pay for it after interest has been piled on years down the line and after they are out of school. They will be paying for these lunches. They are not free.

I guess my concern is that one of the reasons for the proposed block grants isn't to give it to the children. It is to make the programs more efficient, to get them out closer to the children, administered closer to the children. I keep saying children. I know this works for senior citizens, too, where we have these hot lunches and hot meals provided.

But how do we get rid of this bureaucracy if we don't do something like this? I think this is an attempt to eliminate tiers of bureaucracy, not to deprive people of nutrition. How else would you do that?

Mr. MARTINEZ. Mr. McKeon, would you yield on this point?

This money goes directly to the schools. It does not go—how will getting closer to the kids by getting closer to the States? If it goes to the States and they decide what to do with it——

Mr. MCKEON. It doesn't go directly to the schools. I have been to the schools. I have talked to the people who provide those lunches. They have to fill out forms just like you said. You have to stand at the head of the line and say, "Take another item." Then you have to fill out a form to provide that.

All of that is administered out of Washington. We require it.

Mr. MARTINEZ. It goes directly to the schools, where now we are talking about block grants that are going to the States.

Chairman GOODLING. This is a period for interaction between the Member and the panel.

Mr. MCKEON. You and I will talk later.

Mr. BOEHLJE. One of the problems is we see absolutely no benefit in shoving the same administrative load to the State and permitting them to set up a whole new level of regulations to replace the regulations that you say are going to be reduced from the Federal level by the block-granting concept.

But the bigger issue is that the whole issue of entitlements and the fact that this is going to reduce the number of dollars just virtually guaranteed, that are going to come into the program for children. And they are going to have to be made up at the local level.

That is the bottom line as far as school districts are concerned. And depending on the balancing process that you go through as a school board member on what you are going to do with your academic programs and how many dollars you have to spend and how many students you have that qualify for lunches now or the free and reduced breakfast, you have to decide whether you can afford to keep this program going or not.

And that is what we see happening, is those school districts, in a responsible decision-making process, saying, We are only serving X number of children here, with this program, this program serves more children, so we are going to factor this program, and it may be the lunch or the school meal program that loses.

Mr. MCKEON. Thank you.

Chairman GOODLING. You have some time.

Mr. MCKEON. Great. I would bypass the States and go right to the local school boards. Are you saying that the local school board

would make the decision that they would rather do something other than the nutrition program?

Mr. BOEHLJE. If you are talking about the same funds coming to the local school board, that is great.

Mr. MCKEON. If you had the same funds, $10 going right to the school board but didn't have to go through some of the same work, some of the same paper filling out, all of those requirements, wouldn't that save money?

Mr. BOEHLJE. Yes, I think that is a sound concept. That is not what is proposed in the legislation, though, as I understand it.

Mr. MCKEON. But we can make changes in legislation. That is why we are doing this.

Mr. BOEHLJE. I like that approach. I think that is a sound concept, yes.

Mr. FERSH. I think there is a consensus about paperwork and overregulation and over-auditing. Some of that came out of concerns at the Federal level about accountability. And there is a balance in terms of checking eligibility and making sure nutrition standards are met and so on.

I think the consensus here is, let's reduce the paperwork, but the concern is the ending of the predictable entitlement funding allows people to respond to every child and every elderly person who is in need. I think that is what the debate is about, not—I think everyone agrees we should simplify the system.

Chairman GOODLING. Mr. Roemer.

Mr. ROEMER. Thank you, Mr. Chairman.

What worries me as we debate this is that we have two potential trends here, one very real and one a potential in terms of turning this into a block grant. The real trend is that more and more children in this country are being born into poverty.

Yesterday in both The New York Times and in The Washington Post, we read that there are now 25 percent of children in poverty in this country under the age of six. One out of every four children are in poverty under the age of six in the United States of America.

What do we do to address that?

Certainly some of these programs help us address that. But how do we improve on these programs if we are not going to turn them into a block grant, which many of you make compelling testimony not to do, what do we do to allow the schools and the States more flexibility?

I would first turn to you, Mr. Fersh. In your testimony you said that you are very concerned about the WIC program. I am too. I think it is one of the best government programs going. You also said that you would—it creates flexibility to the States, and you are not for turning this into a block grant.

What specifically would you do to increase flexibility at the local level?

Mr. FERSH. Thank you for that question, Mr. Roemer. I would simply say, it is in the testimony, I am in agreement with the witnesses here. We could have a consolidation of all school-based programs. Why should Marilyn Hurt have to fill out a separate set of forms to feed kids in the summer for five weeks when they are the same kids she is feeding all year.

The same would be true if there is an after-school program. There is a growing movement to provide after-school care, which I think is one of the linchpins on how we deal with poverty in this country. We need to look at nutrition programs as building blocks toward empowerment of individuals and families.

There is no better draw than to feed kids. They will show up, they will be attentive. If we can begin to link these after-school programs and crime prevention programs and community-building programs, then I think we begin to get a handle on the underlying problems in this country.

No one is saying, "Feed kids and they won't be hungry" and we won't do anything else about them. We too in the nutrition community feel frustrated about the continuing problems of poverty in this country. So we must begin to get to the underlying solution.

I think what we are suggesting to you is that elimination of these programs or hurting them will only make the job more difficult down the road.

These nutrition programs are key to making sure kids are healthy, making sure they are feeling nurtured, making sure that kids actually show up and participate in other programs that begin to have them make changes in their lives and changes in their futures.

Mr. ROEMER. In addition to the suggestion you just made, how do we begin to integrate this nutrition program in after-school programs or getting the child to stay after school and then getting their parent to come in and do mentoring and skill and training and so forth too? Have you been involved in these integration efforts?

Mr. FERSH. Absolutely. Some are documented in our testimony. And we have a project funded by an education funder, the Andy Casey Foundation, to begin to document the model programs that are beginning to grow across the country. People do not want to simply continue to hand out benefits to people and not see underlying changes.

But we cannot simply say, Okay, you know, it has not been working; we are going to throw out what we have. What we are suggesting is we document the programs, the local genius, it is all out of local people, it needs to be documented, but what they are saying uniformly to us is, Please, keep our ability to feed these kids as a fundamental building block in how we bring them in and build these other services.

I would be delighted to provide other examples for the record. There is an example in Pennsylvania. There is an example in Washington of a summer feeding program that turned around kids in the summer months and now they are running a summer youth program.

[The information follows:]

CENTER ON BUDGET AND POLICY PRIORITIES

Revised January 27, 1995

SHOULD FEDERAL FOOD ASSISTANCE PROGRAMS BE CONVERTED TO BLOCK GRANTS?

Introduction

Proposals to convert federal food assistance programs into block grants will receive active consideration in coming months. Two principal reasons are often given for block-granting food assistance programs. Block grants are seen as a way of increasing state flexibility in administering these programs. Block grant proposals also are defended as allowing spending on food assistance to be reduced through lower administrative costs.

Two major food block grant proposals currently are under consideration. One is contained in the Personal Responsibility Act (PRA), the welfare bill contained in the "Contract with America." The other proposal was recently developed by a group of Republican governors and is still being refined.

These proposals share a broad framework. Both would terminate all domestic food assistance programs, including food stamps, the National School Lunch Program, and the Special Supplemental Nutrition Program for Women, Infants and Children (WIC). In their place, the federal government would provide block grants to states. States could use the funds to provide food assistance in whatever form they saw fit, including the provision of cash grants that might be used for purposes other than food purchases.

The PRA proposal would set a cap on annual appropriations for the block grant; Congress could appropriate less, but not more. In the first year, this cap would be set 10 percent below the amount that existing food assistance programs are projected to cost. The cap would be adjusted each year for changes in population and food prices but not for changes in unemployment, poverty, or school enrollment. Over time, the cap would fall steadily farther behind what the food programs would cost under current law. The percentage share of block grant funds each state would receive would equal the state's share of the low-income population nationwide. The PRA also would impose various restrictions on how states could spend the block grant funds.

Under the proposal developed by the group of Republican governors, the total amount of federal funds allocated to states each year would equal the amount expended in the food assistance programs in fiscal year 1994, adjusted for food price

777 North Capitol Street, NE, Suite 705, Washington, DC 20002 Tel: 202-408-1080 Fax: 202-408-1056
Robert Greenstein, Executive Director

inflation. Each state's share of the federal block grant appropriation would equal its percentage share of federal food assistance expenditures in fiscal year 1994.

Under both the PRA proposal and the Republican governors proposal, a key feature of entitlement programs like the food stamp and school lunch programs — that families and individuals who meet the programs' eligibility criteria are entitled to benefits — would be removed. If the amount of block grant funds a state received was insufficient to serve all eligible families or children who applied, some would be turned away or the level of benefits would be cut.

In addition, both proposals would result in substantial reductions in federal funding for food assistance programs compared to the amounts that would be provided under current law. The PRA block grant would result in a reduction of at least $27 billion over the next five years, while the governors' proposal would cut at least $9.7 billion. The cuts would be far larger if a recession occurred; for example, if the governors' proposal had been enacted five years ago before unemployment began to rise, the loss in federal food assistance funds would have been nearly 30 percent last year. Under both bills, the cuts would grow larger over time.

An examination of the effects of converting food assistance programs into block grants indicates this approach would have far-reaching effects. Some of these effects are probably not intended by the proposals' authors, but the effects are nonetheless real. In three principal respects, the proposals would be disadvantageous for both states and low-income families.

- A food assistance block grant would not respond to increased need during economic downturns.

- Funds under a food block grant would be allocated among states in accordance with a formula that was unavoidably based on outdated data. As a result, the distribution of funds among states would be inequitable; some states would receive too little relative to other states, while other states would receive too much. Some states, especially those experiencing economic slumps, would emerge as big losers.

- Funding levels would probably decline below the levels that would be provided under current law by larger amounts than is commonly understood. Under both proposals, block grant funding levels would not automatically respond to increases in poverty during recessions, increases in school enrollment that result in more children needing school lunches and breakfasts, or increases in the number of low-income children enrolled in child care institutions and needing meals at these institutions. School enrollment is projected to rise in coming years. Child care

enrollment also is expected to increase as more women are moved from welfare to work and the entry of mothers into the labor force continues. In addition, block grant funding levels could be reduced further in the Congressional appropriations process.

For these reasons, low-income families, children, and elderly people are likely to face substantial reductions in food assistance under the block grant proposals. States in turn, are likely to face strong pressures to use state funds to help fill the gaps and avert serious increases in hunger.

It should be noted that more state flexibility can be provided in existing food assistance programs without converting the programs to block grants. In addition, if Congress wishes to reduce the cost of these programs, that can be accomplished without resorting to a block grant. In short, many of the perceived benefits of a block grant can be secured without its serious adverse consequences.

This analysis examines some of the basic problems raised by block-granting food assistance programs: lack of responsiveness to recessions, inequities in the allocation of funds among the states, and risks that the funding reductions would grow extremely large when decisions are made in the federal appropriations process. The analysis also examines the effects of block-granting several key food assistance programs, including the food stamp, child nutrition, and WIC programs. The paper concludes with a brief discussion of how flexibility can be increased and costs reduced, if that is desired, without resorting to a block grant approach.

The Problem of Recession

Most of the larger food assistance programs — including the food stamp, school lunch, and school breakfast programs — are entitlements. This means the programs provide benefits to any low-income household or child who applies and meets the programs' eligibility conditions. These programs expand during recessions as unemployment rises and the number of low-income people qualifying for food stamps and free school meals grows. For example, between June 1990 and June 1992, as the national unemployment rate climbed from 5.1 percent to 7.7 percent, the number of people receiving food stamps rose by more than five million. Similarly, the average number of low-income children receiving free school lunches each month climbed by more than one million between fiscal year 1990 and fiscal year 1992.

Thus when poverty rises — as it does during recessions — these programs expand. When poverty subsequently declines — as it does during most economic recoveries — the programs tend to contract. This funding structure has proved crucial to the success of these programs in reducing hunger in the United States.

BEST COPY AVAILABLE

This feature would be lost under a block grant, however, as the automatic provision of additional federal resources during recessions would end. A fixed amount would be provided to a state at the start of a year. If unemployment subsequently rose, the state would have to bear 100 percent of any additional food assistance costs itself.[4]

This would pose serious problems for states. State revenues shrink during economic downturns, and many state programs are cut. Under a block grant structure, states would be forced to choose between raising taxes (or cutting other programs more deeply in recessions) to address the mounting needs for food assistance among the poor or instituting across-the-board benefit cuts, making some categories of needy families and children ineligible for the rest of the year, or placing poor families that recently lost their jobs and others newly applying for aid on waiting lists for food aid. Poor families and elderly individuals applying in the final months of the fiscal year could be denied assistance. Two-parent families — the group whose participation in food assistance programs rises most sharply in recessions — could be affected with particular severity.

The loss of the automatic increase in federal funding during a recession would have another adverse effect as well. It could weaken the national and state economies. The food stamp program, and to a lesser extent the free meals provided low-income children by the school food programs, function as what economists call "automatic stabilizers" — federal programs that moderate economic downturns by infusing more purchasing power into state and local economies when recession sets in. The food stamp program is one of the more important automatic stabilizers in the federal government's recession-fighting arsenal. Under a block grant structure, the automatic stabilizer role played by these programs would be lost. Converting these programs to block grants that fail to respond to recessions consequently is likely to contribute to making recessions somewhat deeper and more protracted.

Misallocation of Funds among States

These problems are aggravated by another major shortcoming of a block grant structure — it would seriously misallocate funds among states. Any formula used to allocate block grant funds among states would necessarily be based on data for a year

---

[4] In theory, Congress could pass a supplemental appropriation to help meet this increased need. In practice, this would be difficult to do. If the block grant were a discretionary program, supplemental funding for the block grant would be barred if overall spending for discretionary programs were already at the discretionary spending ceiling. Supplemental funding also would be problematic if the full amount authorized for the block grant had already been appropriated. If the block grant were a capped entitlement, the cap would have to be raised before any additional funds could be appropriated and the cost of doing so would have to be offset by tax increases or cuts in other entitlement programs.

BEST COPY AVAILABLE

in the past, the formula would not be able to reflect economic and demographic changes since that time.

For example, the food block grant proposal recently developed by the group of Republican governors would distribute block grant funds based on each state's percentage share of federal food assistance expenditures in fiscal year 1994. As the years pass and 1994 recedes farther into the past, the state-by-state distribution of food assistance expenditures in 1994 will become an increasingly poor measure of current need among the states. The resulting inequities will become particularly acute during recessions when some states suffer sharp increases in unemployment while others do not. States whose economies have grown robustly since 1994 could receive more funds than warranted, while states where economic conditions have deteriorated would receive too little.

The Republican governors' proposal illustrates how serious this problem is. Suppose the proposal had been enacted five years ago and based on federal expenditures in fiscal year 1989 rather than expenditures in 1994. Had that occurred, the amount of federal funding distributed for food assistance programs last year would have been 29 percent — or $10 billion — lower than the amount actually provided. Some 35 states would have lost at least one-fifth of their federal nutrition funding. California and Florida would have lost almost half of the federal food aid provided in their states. While these states were losing heavily, however, one state would have received more federal money than it actually got last year.

These effects would have occurred because in the years after 1989, unemployment climbed substantially in some states, and more people in the hard-hit states became poor and applied for food aid. In addition, the populations of some states grew sharply. Since these economic and demographic changes were not uniform across the states, the increase in unemployment and poverty since 1989 varied greatly among states. As a result, the proposed block grant would have affected some states with far greater adversity than others.

Of particular concern is the fact that the states hardest hit by a recession would be subject to a "double whammy." They would receive an insufficient amount of federal funds both because the overall level of federal funding nationally would be inadequate (since the federal funding level would not automatically rise with a recession) and because the formula for allocating federal funds among states would not recognize the depth of the downturn in hard-hit states. In addition, the states hit hardest by the recession would generally face large declines in state revenues and be among the states least able to provide state funds to respond to the additional need the downturn created.

There is no good answer to this problem. Any formula for allocating block grant funds among the states will necessarily create serious equity problems. If the formula gives each state the same percentage of food assistance funds it currently receives (as the Republican governors' proposal does), the formula will fail to recognize differences that develop among states in coming years in unemployment and wage levels, population growth, and other demographic changes. If the formula attempts to adjust for such changes in economic and demographic factors, it still will be out-of-date. The latest Census data on the extent of poverty on a state-by-state basis are generally three to four years old.[2] The formula thus would always reflect the economic and demographic conditions that prevailed several years earlier.

The allocation formula in the PRA food block grant uses a different approach but produces equally unacceptable results. Under this formula, too, some states would lose large sums even if Congress appropriated the full amount authorized for the block grant, while other states would gain. A U.S. Department of Agriculture analysis found, for example, that if the PRA food block grant proposal were in effect in fiscal year 1996 and the block grant were fully funded, Texas would lose an estimated 30 percent of its food assistance funds, while California would gain 16 percent. If Congress appropriated less than the full amount authorized (a likely scenario, as explained below), all states might lose, with some states suffering much more severe cuts than others.

Curiously, some of the states that fare worst under the allocation formula in the governors' proposal do best under the PRA allocation formula, and vice versa. (California is an example of one such state.) Other states, like Texas and Florida, lose heavily under both formulas. This underscores the arbitrary nature of these formulas. It simply is not possible to design a state-by-state funding formula that accurately reflects current need.

Funding Reductions

Another feature of both proposals is that they entail large reductions in federal food assistance funding. Under the Personal Responsibility Act, funding would be at least $27 billion lower over the next five years than under current law. The amount

---

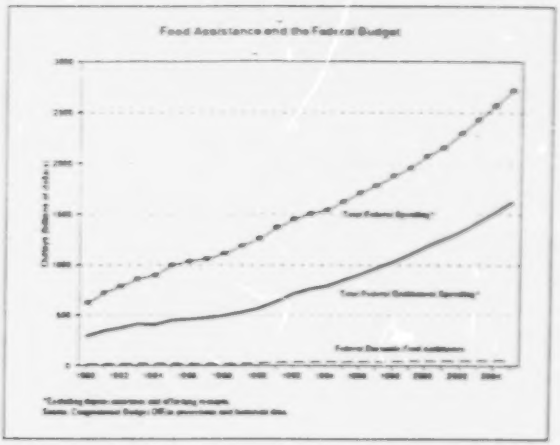
[2] If block grant funding allocations for fiscal year 1996 were being determined this spring, the latest available Census data on poverty and income would be data for 1993. Moreover, the data the Census Bureau issues annually on poverty and income are reliable *only for the nation as a whole and for some large states*. To secure reliable data covering all states, the Census Bureau must combine data for at least two years. Currently, the latest reliable poverty and income data that cover all states are combined data for 1992 and 1993. This is why the state-by-state poverty and income data used in a formula for allocating block grant funds among states will necessarily be three to five years out of date.

BEST COPY AVAILABLE

IS FOOD ASSISTANCE SPENDING OUT OF CONTROL?

In fiscal year 1995, spending on domestic food assistance is estimated to consume 2.4 percent of federal outlays, according to Congressional Budget Office (CBO) data. Spending on those programs is expected to decline slightly as a share of total spending in future years, the CBO projections show.

Overall spending on entitlements is projected to grow rapidly in coming years both as a percentage of the budget and a percentage of the Gross Domestic Product. But the food assistance programs are not among the factors contributing to that development.



that was cut would tend to grow over time, reaching $5.8 billion in fiscal year 2000.[3] Under the Republican governors' proposal, states would lose at least $9.7 billion over these same five years. Here, too, the cuts generally would enlarge with each passing

[3] This estimate is based on Congressional Budget Office projections of what the food assistance programs will cost under current law. If OMB estimates are used instead, the cuts caused by the food block grants are larger.

year, they would equal $2.9 billion by fiscal year 2000. And eventually, the reduction under the governors' proposal could exceed the cut under the PRA.

Furthermore, these figures are likely to understate the depth of the reductions. These figures assume Congress would appropriate the maximum amount allowable for the block grants. As discussed below, this is not likely to be the case, especially for the PRA grant.

These figures also assume no recession occurs. As noted, the block grant funding levels would not rise if the number of poor families increased during a recession. Since, under current law, federal food assistance funding does rise when recession sets in, the size of the cuts caused by a block grant would become much larger in the event of a recession. Recall that if the Republican governors' proposal had been enacted five years ago and block grant funding were set equal to overall federal food assistance expenditures in fiscal year 1989, adjusted for inflation, the amount of federal food aid funding provided in fiscal year 1994 would have been $10 billion lower than it actually was. The onset of recession and the accompanying increase in poverty over this period accounts for much of the difference between the amount of funds actually expended last year and the much smaller amount that would have been provided under the block grant.

Another reason the block grants would lead to large decreases in assistance is that they make no adjustment in funding levels to reflect increases in school enrollment or in the number of children in child care settings. The U.S. Department of Education projects the number of children in grades K through 12 will rise more than eight percent over the next five years. This will increase the number of children eating school lunches and breakfasts, a development that will be accommodated under the current funding structure for the school food programs but not under a block grant. Similarly, the number of low-income children enrolled in child care institutions and qualifying for meals under the child and adult care food program is expected to rise as states move more poor mothers from welfare to work and the trend of more women entering the labor force continues.

The lack of any recognition of these factors also is another reason the formula for allocating block grant funds among the states would fail to match funds with current needs. A state in which school enrollment rises will be shortchanged, while a state in which school enrollment falls may receive excessive funding.

Funding Levels for Block Grants Likely to be Reduced

One other factor also needs to be taken into account — the funding levels in the proposed food block grants essentially represent ceilings on the total amounts that

could be appropriated for these programs. The actual amounts appropriated could be lower and the cuts deeper as a result.

If a food block grant is structured as a discretionary program (i.e., as a non-entitlement program) as it would be under the PRA, the amount actually appropriated would likely be lower — perhaps much lower — than the appropriations ceiling established for the block grant. Appropriations for most discretionary programs fall below the appropriations ceilings set for these programs. And with Congress about to tighten the already-austere expenditure caps that govern the total amount that can be spent on discretionary programs — while raising spending on defense at the same time — domestic discretionary programs will be squeezed hard in the years ahead. A food block grant described to governors as a five percent cut — with the five percent reflecting the amount that the appropriations ceiling for the block grant falls below projected food assistance costs under current law — could readily turn into a 20 percent or 30 percent cut in the next several years when Congress writes the appropriations bills.*

In an effort to address this last issue, the Republican governors' proposal apparently would make the food block grant a "capped entitlement" to states. Families and children that meet a state's eligibility criteria would have no entitlement to benefits and could be served only if sufficient funds had been provided to the state. But states would be entitled to their respective shares of a designated amount of federal funds each year. Structuring the block grant as a capped entitlement might lessen the likelihood that block grant funds would be cut back sharply in the federal appropriations process. Contrary to the expectations of some governors involved in developing this proposal, however, making the block grant a capped entitlement would not fully resolve this problem. Congress can appropriate less than the amount called for under the law establishing a capped entitlement and has occasionally done so in the past. Moreover, Congress can lower the cap on the entitlement at any time and can take such action through the appropriations process. Indeed, if the appropriations committees include in an appropriations bill a provision lowering the cap on a capped entitlement, these committees can use the resulting savings to help comply with the tight spending ceilings on total discretionary spending or to free up funds so they can boost appropriations for other, more politically potent programs. The issues raised by structuring a block grant as a capped entitlement are discussed further in the box on the next page.

---

* One additional problem is that states frequently might not know until October 1 (or even later) how much block grant funding they would receive for the fiscal year starting October 1. Congressional appropriations battles typically are not over — and funding levels not known — much before October 1. Often these issues are not settled until November or December. This would make it difficult for states to plan and operate their food assistance programs efficiently.

In coming years as efforts are made to balance the budget, block grants providing benefits to low-income people are likely to fare poorly in the intense competition in the appropriations committees for a shrinking pot of funds. A food block grant for the poor — especially one in which much of the assistance is provided in cash that can be used for purposes other than food purchases — is not likely to fare well when it must compete with defense programs and programs protected by

CAPPED ENTITLEMENTS TO STATES

Some policymakers may believe a solution to the funding problems described here is to structure a food assistance block grant as a "capped entitlement" rather than a non-entitlement (or discretionary) program. Under a capped entitlement, states would be entitled to their respective shares of a fixed amount of federal funding. For example, if $35 billion a year were provided for a capped food assistance entitlement, each state would be entitled to its respective share (in accordance with a funding formula) of the $35 billion. Under most proposals for capped entitlements, low-income families — as distinguished from states — would not be entitled to benefits. As a result, the amount of federal funding provided in a state would not rise if need increased in the state and more families applied for food assistance.

Although it may sound attractive at first blush, this approach would do little to address the problems described here. Under the capped entitlement approach, a state's federal funding would remain fixed for the year, just as it would if a block grant were structured as a discretionary program. A state's funding level would not rise if a recession set in or the number of applicants in a state climbed for other reasons. States still would have to reject the new applicants, cut benefits, or meet these additional needs entirely with state funds.

In addition, the fixed amount of federal funding available under a capped entitlement would have to be allocated among states in accordance with a funding formula. All of the problems described here regarding the inequities created by funding formulas would hold true. Some states would receive too much, while others would get too little.

Finally, in recent decades, capped entitlements have not fared better than non-entitlement programs in funding battles. Total appropriations for low-income programs that are capped entitlements have declined nearly 20 percent since 1981, after adjusting for inflation. Federal funding for the largest capped entitlement program serving low-income families — the Social Services Block Grant — has declined 45 percent since 1981 in inflation-adjusted terms. By contrast, total appropriations for low-income non-entitlement programs declined seven percent over this period, after adjusting for inflation. Congress may, and on occasion, has appropriated less for a capped entitlement than the amount specified in the authorizing legislation establishing the program. In coming years, as deficit-reduction pressures mount, the chances that some capped entitlements will not be fully funded will increase. Indeed, under federal budget rules, if the cap on a capped entitlement is lowered in an appropriations bill, the appropriations committees may use the savings to help meet the tight spending caps under which these committees have to operate.

BEST COPY AVAILABLE

powerful constituencies such as education programs, programs for veterans, and the like. In addition, if food assistance programs are converted to a block grant, it will not be possible to describe the specific effects of a proposed reduction in funding on poor families and elderly people when the reduction is being debated. In short, the funding level for a food assistance block grant is likely to erode substantially over time.

It also should be noted that block-granting these programs appears unlikely to generate large administrative savings. The block grant proposals would meld into a single grant a program administered by state health departments (WIC), a program run by state welfare departments (food stamps), and programs administered by state education departments (the school food programs). Schoolchildren would continue to receive school meals at school. For WIC-type assistance to maintain its emphasis on preventive health care, it would need to continue being provided at health clinics; part of WIC's beneficial impact stems from the fact that it is coordinated with prenatal and pediatric care and acts as a magnet that draws women and infants into health facilities for needed health visits. The food stamp program is administered by county welfare departments and coordinated with public assistance programs like AFDC; it cannot be run either by schools or health clinics. It is difficult to see how large administrative efficiencies could be realized by combining such disparate programs into a block grant when different agencies will continue to operate them.

Furthermore, the food assistance programs already are integrated with one another to a significant extent. For example, children in families that receive food stamps automatically meet financial eligibility requirements for WIC and child nutrition programs, reducing the paperwork required in the latter programs. Nor do these programs have large federal overhead that could be eliminated by turning administration over to the states. Federal costs for administrating domestic food assistance programs equal less than one percent of the programs' overall budgets.

Administrative efficiencies are likely to be modest. The bulk of the savings would have to be achieved by reducing benefits.

Additional Issues Raised by Proposals to Convert Particular Food Programs Into Block Grants

Examination of the three principal food assistance programs — food stamps, school food programs, and WIC — shows each would experience problems if merged into a block grant.

BEST COPY AVAILABLE

Food Stamps

Some problems involved with block-granting food stamps, such as the loss of the program's ability to respond immediately to increases in need during recessions, are described above. An additional set of issues stems from the fact that the national food stamp benefit structure would disappear under a block grant.

Dismantling the benefit structure would threaten the program's ability to moderate the large differences among states in the AFDC benefits provided to poor children. Under the current system, the food stamp benefits provided to AFDC families are larger in states paying low AFDC benefits than in states paying higher benefits, since a family's food stamp benefit level depends on its income. This feature of the food stamp program is particularly important for poor states with limited fiscal capacity and for poor children in these states.

For example, the AFDC benefit level in Mississippi is one-sixth the level in Connecticut; but when food stamps are taken to account, the ratio falls from 6:1 to 2:1. Converting the food stamp program to a block grant and eliminating the national benefit structure could lessen the program's effectiveness in moderating these disparities.

In addition, block-granting the food stamp program would result in the loss of the only national benefit floor under poor children. Of particular note is the fact that the food stamp program combines poor children and the elderly poor in a single benefit structure; it thereby overcomes the typical pattern under which the elderly receive larger benefits than children do. If the program is block-granted and the national benefit structure is dismantled, poor children are likely to lose this important protection in many states. Their benefits are likely to be cut more deeply over time than if they and the elderly remain in a single benefit structure under which reducing benefits for children generally means cutting them for the elderly as well.

It also is of interest that the national food stamp benefit structure was instituted under President Richard Nixon, with broad bipartisan support. The Nixon Administration and Congress took this step when large disparities emerged among states in food stamp benefit structures, and studies found hunger to be a serious problem in many areas. Prior to establishment of the national benefit structure, some states denied food stamps to families with incomes as low as half the poverty line — as several states still do today in AFDC — even though food stamps were federally funded.

Lastly, block-granting the food stamp program is unlikely to yield large administrative savings. The food stamp program's administrative budget is lean. In fiscal year 1993, federal and state administrative costs comprised 12.3 percent of the

BEST COPY AVAILABLE

BASIC FACTS ABOUT THE FOOD STAMP PROGRAM

- Food stamp benefits are modest. In fiscal year 1994, the program provided an average benefit of $69 per person per month, or 76 cents per person per meal. Even the maximum food stamp benefit — received by fewer than 23 percent of households — is $356 for a family of four, or $1.06 per person per meal.

- The food stamp program is well-targeted. In 1992, the latest year for which these data are available, nearly all food stamp benefits — 97 percent — went to households with incomes at or below the poverty line. Households with incomes below *half* of the poverty line received 56 percent of food stamp benefits. The average income of a food stamp household was $481 a month or $5,772 a year. By comparison, the poverty line applied in 1992 was $928 a month — $11,140 a year — for a family of three.*

- Approximately $9 of every $10 spent for food stamp benefits — 89 percent — were provided to households with children, elderly, or disabled people. Families with children received 82 percent of food stamp benefits. Children, themselves, constituted 52 percent of all food stamp participants. Some 13 million children received food stamps in an average month in 1992.

- Households with earnings accounted for 20 percent of food stamp households in 1992. A significant number of other food stamp households included members who had recently become unemployed. Just 40 percent of food stamp households received any income from AFDC.

- Half of all food stamp households leave the program within six months. Two-thirds leave within one year.

- USDA research has found that food purchases and nutrient consumption are higher with food stamps than with an equivalent amount of cash.

---

* The most recent detailed data available on many of these points is from the USDA study *Characteristics of Food Stamp Households, Summer 1992*.

program's total budget. Even if significant administrative savings could be achieved, they would constitute only a small fraction of the federal funds that states would lose under the block grant proposals.

For example, if food stamp administrative costs were cut a fifth — a large proportion — total program costs would be reduced just two to three percent. This is well below the level of reductions entailed under the proposed food block grants.

Savings would have to be achieved primarily through reductions in food assistance to needy households.

One related problem should be noted. Food stamps are currently accepted in any state. Poor families living near a state line may shop in the neighboring state to take advantage of lower food prices. In addition, poor migrant farmworker families crossing state lines to seek work can use food stamps issued to them in one state to purchase food in the new state they enter. If the food stamp program is block-granted and ends as a national program, poor families entering a new state to seek work — or shopping in a store in a neighboring state to take advantage of lower food prices — may not be able to use their food stamps there. In order for needy households to be able to use food stamps across state lines, states may need to set up complicated and costly interstate administrative mechanisms.

Block-Granting Child Nutrition Programs

Many of the problems posed by block granting the food stamp program also apply to converting the principal child nutrition programs to a block grant. The largest of these programs — the school lunch and breakfast programs and the child and adult care food program — respond automatically to rising unemployment and poverty just as the food stamp program does. When more low-income children apply for free meals at schools and child care centers, federal support for these programs increases. This would no longer occur under a block grant. States experiencing economic downturns or significant increases in school or child care enrollment would suffer; the federal funding they receive would fail to keep pace with need as the number of low-income children seeking meals at school or in child care settings increased.

FOOD PURCHASES AND FOOD STAMP CASH-OUT

Replacing the current food assistance programs with a block grant is likely to result in many states converting food stamp assistance to cash payments. During the late 1980s, USDA conducted four demonstration projects to test the effect of "cashing out" food stamp benefits. The researchers who evaluated these projects for USDA concluded that food expenditures decline between 20 and 25 cents for each dollar of benefits that is cashed out.* In fiscal year 1994, food stamp benefits totaled $22.7 billion. The data thus suggest that if these benefits had been issued in cash instead of food stamps, food purchases would have been reduced between $4.5 billion and $5.7 billion last year.

* Thomas F. Fraker (Mathematica Policy Research), Alberto P. Martini (Urban Institute), and James C. Ohls (Mathematica Policy Research). "The Effects of Food Stamp Cashout on Food Expenditures: An Assessment of the Findings From Four Demonstrations," December 1994.

The result would be a weakening of nutritional support for children. At present, child nutrition programs provide support to needy children on a consistent basis nationwide; children with incomes below 130 percent of the poverty line, for example, qualify for free school meals wherever they live. Under a block grant, this would no longer be true. States in which a worsening economy or rising school enrollments resulted in increased need would have to reduce per-meal funding levels, lower the eligibility limits for free school meals, reduce support for some other kinds of meals (such as school breakfasts, meals served to poor children during summers, or meals served to pre-schoolers in child care), provide additional state funds to cover the increased need, or take some combination of these actions.

This would be unfortunate. Research has found that schoolchildren who have not eaten breakfast are less likely to learn; the school breakfast program increases the number of poor children obtaining breakfast. In addition, school lunches and breakfasts improve children's nutritional status and help them pay attention in class. The summer food program helps fills the nutritional gap that low-income children experience in the summer when school meal programs shut down.

A related problem is that use of a formula to allocate block grant funds among states would lead to inequities. For example, if each state's funding level were based on the federal funding it received for nutrition programs in fiscal year 1994, as the Republican governors' plan proposes, states whose economies weaken in coming years — as well as states with rising school enrollments — will receive no additional federal aid to serve the increasing numbers of low-income children. At the same time, states with robust economies and/or declining school enrollment might get more funds than they needed to maintain current levels of food assistance.[5]

Including the child and adult care food program in a block grant also would pose problems. It would come at a time that many states are intensifying their welfare reform efforts. A state that is particularly successful in putting welfare recipients to work — and has a rising number of low-income children in child care as a result — would receive no additional federal funds to provide meals to the additional children in care.

---

[5] Some have suggested that eliminating all child nutrition support for meals served to middle-income children would be a simple way for states to reduce the costs of child nutrition programs without affecting low-income children. Under current law, federal funding support is provided for meals served to children from families with incomes above 185 percent of the federal poverty line, although these subsidies are substantially lower than those provided for meals served to lower-income children.

Past experience in reducing federal school lunch support for middle-income students, however, as well as various studies on this issue, suggests a substantial number of schools would drop out of the school lunch program if federal support for meals to non-low-income children is ended. In the early 1980s, moderate cuts in support for school meals served to middle-income children resulted in more than 1,000 schools leaving the school lunch program. When schools drop out of the programs, low-income children in these schools often lose access to free meals.

BEST COPY AVAILABLE

their commodities added to the WIC food package in these states. There is a strong likelihood such efforts would succeed in a number of places. By contrast, at the federal level, Republican and Democratic administrations alike have stood firm against such encroachments and succeeded in making decisions on the food package entirely on scientific merit. If items are added to the food package largely due to political muscle, either more nutritionally valuable foods will have to be dropped or the benefit package will grow more costly, with the result that fewer women and children can be served.

Still another problem is that funding for WIC would probably decline over time. Since the program's inception, federal WIC funding has never been reduced. President Reagan proposed to cut WIC in 1981 and 1982, but these proposals were rejected by the Republican Senate in those years at a time when most other reductions in low-income programs proposed by the Reagan Administration were being approved. Steady increases in federal funding over the years have allowed WIC to increase the proportion of eligible mothers and children it serves. In the late 1980s and early 1990s, President Bush sought and secured major increases in WIC funding, as President Clinton has done in the past two years.

But the story is different at the state level. Even though state appropriations for WIC generally qualify a state for a larger federal WIC allocation, a number of those states that provide funds for WIC have reduced them in recent years. In the past two years, overall state funding for WIC has fallen 33 percent, after adjusting for inflation.

The conversion of WIC to a block grant would also pose one other problem. Some states currently reach larger proportions of their WIC-eligible populations than other states do. Recently, the federal formula for allocating WIC funds among states was carefully redesigned to address this issue and bring states serving below-average percentages of their WIC-eligible populations up toward the average. If WIC is merged into a block grant, this formula will be lost. Some states that have smaller-than-average WIC programs could be among the states that lose most heavily under the overall block grant distribution formula.

In short, merging WIC into a block grant would weaken one of the most successful and effective of all federal poverty programs.

Block Granting Food Assistance Programs for Special Populations

The federal government also funds several smaller food assistance programs tailored to the needs of specific groups. The Nutrition Program for the Elderly provides home-delivered meals to elderly persons who have difficulty leaving their homes to obtain food. It also provides meals at senior centers, which can attract seniors to come to these centers and receive other needed social services. Other, small programs have been designed to provide USDA commodities to soup kitchens serving

BEST COPY AVAILABLE

maternal and child health services. It functions as a magnet, drawing low-income women and children to health clinics for prenatal and pediatric care and immunizations. The research has documented a strong association between WIC and more timely and adequate use of prenatal and pediatric care, as well as between WIC and higher rates of child immunization.

In addition, unlike food stamp benefits, WIC benefits may *not* be used for any food item. WIC provides a prescription food package designed to deliver the specific nutrients most needed to enable low-income pregnant women, infants, and children to obtain adequate diets. It also provides nutrition education classes and activities to encourage and assist new mothers to breastfeed.

These special characteristics have been crucial to achieving the results documented in the research on WIC. It is unlikely a program lacking these characteristics could match WIC's effectiveness.

Second, even if many states retained WIC-type programs, a block grant would likely change WIC's character in ways that tended to lessen its effectiveness. WIC features what may be the most effective set of cost-containment measures of any federally supported health program. Federal law requires every state to use competitive bidding to purchase infant formula for WIC. These competitive bidding procedures typically result in price reductions of 60 percent to 80 percent and saved approximately $1.1 billion in FY 1994, according to U.S. Department of Agriculture data. The savings were used to provide WIC foods to more than 1.5 million pregnant women, infants, and children each month. Today, nearly one of every four WIC participants is served with savings from WIC infant formula cost containment systems.

In a number of states, these systems probably would be weakened if WIC were block-granted. In many states, the two largest infant formula manufacturers — which control nearly 90 percent of the domestic infant formula market between them — have considerable clout with state health departments and medical associations. Prior to passage of the 1989 federal law requiring use of competitive bidding to purchase infant formula for the WIC program, fewer than half of the states had instituted this practice.

In addition, more than half of the states have now joined in multi-state contracts for the purchase of infant formula for WIC. This increases savings; the infant formula companies offer larger price reductions when a greater volume of sales is at stake under a WIC contract. If WIC is block-granted and the programs that replace it vary significantly from state to state, the extent of multi-state contracting is likely to decrease — and savings are like to fall as a consequence.

A related problem is that if WIC is converted to a block grant, agricultural commodity interests that are potent in particular states are likely to push hard to have

THE RESEARCH FINDINGS ON WIC

A series of medical evaluations have found that WIC improves the health of participating women, infants, and children. Most significant is an extensive, multi-year medical evaluation supported by the U.S. Department of Agriculture and issued in 1986. Directed by one of the leading researchers in the field, it found:

- WIC contributed to a reduction of one-fifth to one-third in the late fetal death rate.
- Women who participated in WIC had longer pregnancies leading to fewer premature births, a leading cause of infant mortality. There was a 23 percent decrease in prematurity among white women with less than a high school education and a 15 percent decrease among black women with less than a high school education.
- WIC participation resulted in a significant increase in the number of women seeking prenatal care early in pregnancy and a significant drop in the proportion of women with too few prenatal visits to a health facility. Early and adequate prenatal care is one of the major factors affecting the health of newborn infants. Children participating in WIC also were better immunized and more likely to have a regular source of medical care.
- WIC participation also appears to lead to better cognitive performance. Four and five year old children whose mothers participated in WIC during pregnancy had better vocabulary test scores. Children who participated in WIC after their first birthdays had better digit memory test scores.
- Women enrolled in WIC consumed more iron, protein, calcium, and vitamin C. WIC also improved the diets of infants by increasing the average intake of iron and vitamin C and the diets of older preschool children by increasing average consumption of iron, vitamin C, thiamine, and niacin.
- The greatest dietary benefits were among those people at highest risk: minority women with less education and children who are very poor, short, black, or in female-headed families.

Other studies have also demonstrated that WIC makes a significant contribution to the health of pregnant women and young children and is cost effective.

- Based on a review of numerous studies of WIC, the U.S. General Accounting Office (GAO) estimated that WIC reduces low birthweight by a quarter, and very low birthweight by almost half.
- The GAO estimated that the $296 million spent by the federal government in 1990 on WIC benefits for pregnant women saved $853 million in the first year of life in state and federal Medicaid expenditures and expenditures by hospitals and private sector payers. Over the first 18 years of these children's lives, federal, state, and local governments and the private sector will save $1.036 billion, the GAO estimated.
- Analyzing extensive WIC and Medicaid data from five states, Mathematica Policy Research found that WIC reduced infant mortality in four of the five states and that every dollar spent on WIC for pregnant women resulted in savings of $1.92 to $4.21 in Medicaid costs.
- WIC has a major impact in reducing anemia. Data released in 1987 from the Center for Disease Control's Pediatric Nutrition Surveillance showed a two-thirds reduction in childhood anemia over a 10-year period. The study indicated that WIC contributed markedly to the decline. The study also found that low-income children not enrolled in WIC have a significantly higher prevalence of anemia than those who are enrolled.

BEST COPY AVAILABLE

Block-Granting WIC

Converting WIC to a block grant also raises serious issues. WIC is widely regarded as one of the most successful of all federal programs. A 1992 GAO review of the cost-effectiveness of an array of children's programs found the data on WIC's effectiveness to be stronger than the data for any other such program.

Evaluations have found that WIC improves the health of participating women, infants, and children to a striking degree. A multi-year, national evaluation conducted by the U.S. Department of Agriculture during the Reagan Administration found that WIC reduces the late fetal death rate by 20 to 33 percent. The study found that WIC markedly reduces infant deaths, low birthweight, premature births, and other maladies. WIC also is associated with higher immunization rates and increased use of prenatal and pediatric care.

After reviewing the research in the field, the U.S. General Accounting Office estimated that WIC reduces low birthweight by a quarter and very low birthweight by almost half (44 percent). Low birthweight is a leading cause of infant mortality and childhood disability. Medical evidence also suggests that WIC reduces child anemia, and there are indications it improves cognitive functioning among children.

The GAO also estimated that the $296 million the federal government spent on WIC benefits for pregnant women in 1990 saved $853 million in the first year of life. Some $472 million of these savings represented reduced federal and state Medicaid costs, while the remaining $381 million in savings accrued to hospitals and private sector payers. Moreover, the GAO estimated that over the first 18 years of the lives of these children, the $296 million in federal expenditures in 1990 will save $1.036 billion in reduced federal, state, local and private sector costs for health care, disability payments, and special education.

In short, WIC works. A panel of Fortune 100 CEOs noted when testifying before the House Budget Committee in 1991 that WIC is "the health-care equivalent of a triple-A rated investment." The CEOs called for the program to be fully funded in five years.

Block-granting WIC would jeopardize the important progress that has been made. Most important, it would be likely to lessen the effectiveness of the program. Some states might choose not to continue their WIC programs. Faced with tight budget constraints, they could elect to reduce or terminate WIC-type assistance and substitute increases in food stamp allotments or cash benefits for pregnant women, infants, and young children. Such a step would eliminate costs for printing WIC vouchers and operating WIC programs at health clinics. But the savings would come at a high price; the research strongly suggests a great deal of WIC's effectiveness would be foregone under such an approach. WIC links food assistance, nutrition education, and other

destitute people and to families living in remote areas of Indian reservations far from food stores.

If these programs were consolidated into a single food assistance block grant with reduced funding, it is unclear whether states would maintain these specialized services. These smaller programs were designed to meet the needs of particularly vulnerable populations who could not adequately be served by the programs serving the general population.

For example, only 18 percent of homeless people receive food stamps, according to an Urban Institute study. They rely more on soup kitchens. In addition, families in remote areas of Indian reservations often cannot get to grocery stores or have access only to stores charging extremely high prices; the food stamp program is not very useful to such families, and as a result, they receive USDA commodity foods in lieu of food stamps.

It is unclear how states would be able to maintain the soup kitchen and Native American programs under a block grant. The U.S. Department of Agriculture now purchases food in bulk for such programs and distributes it, a function that would be difficult for each state to match. Homeless individuals, and residents of remote reservations, could face reduced access to food assistance.

This raises a related issue. Under the proposed block grants, the U.S. Department of Agriculture would cease purchasing and distributing commodity food items, except for a small amount of "bonus" commodities such as butter. Currently, USDA distributes more than $1 billion a year in commodity foods. Some of these funds are used to purchase food items that are both nutritious and in oversupply. By removing substantial quantities of a food item from the market when the item is in oversupply, USDA helps prevent the market price for the item from falling so low that some agricultural producers may be driven out of business. Thus, USDA's commodity purchases can simultaneously help stabilize the agricultural economy and further the goals of the food assistance programs. If the USDA commodity purchase role ended or was sharply scaled back as a result of the switch to a block grant, this could have detrimental effects on producers as well as on the vulnerable low-income populations that rely on these commodities.

Conclusion: Increasing State Flexibility and Reducing Costs Without Instituting Block Grants

In the coming year, Congress faces several key questions regarding the food assistance programs: 1) should the programs be merged into a block grant?; 2) should states be given more flexibility in operating these programs and freed from some current federal requirements?; and 3) should the cost of these programs be reduced?

BEST COPY AVAILABLE

These are three separate questions. While block grants often are touted as ways to increase state flexibility, that can be done without merging the programs into a block grant. In the food stamp program, for example, states could be given more flexibility in using their federal food stamp employment and training funds. This would enable states to align their food stamp employment and training program more closely with their JOBS programs. Similarly, states could be given flexibility to modify the rules on what counts as income and resources in the food stamp program for food stamp households that receive AFDC. This would enable one set of rules to cover families applying for both AFDC and food stamps. States also could be given more flexibility in instituting electronic benefit systems to issue food stamp benefits. In addition, the current limitation on state food stamp cash-out pilot projects, scheduled to expire September 30, 1995, could be ended earlier.

In a similar vein, savings can be secured without resorting to a block grant if that is the course Congress wishes to follow. In 1980, 1981, and 1982, substantial reductions were made in the food stamp and child nutrition programs. This was done by changing the eligibility and benefit rules for the programs without eliminating the programs' entitlement status. Cuts in these programs would not be without consequences, and some reductions would likely reduce food assistance for low-income households. But if Congress decided to cut costs in these programs, it could do so without block-granting them.

In addition, whatever funding level Congress finds appropriate for food assistance programs, the available funds are likely to be distributed more efficiently without a block grant because a block grant would provide relatively generous amounts to some states while forcing others, particularly those whose economies are declining, to cut much more deeply. Whether one believes that current levels of assistance are appropriate or should be reduced, it is hard to justify imposing more severe cuts on states with weak economies than on states where the economy is robust.

Mr. ROEMER. Does anybody else have specific answers to increasing flexibility and reducing paperwork?

Mr. LUKEFAHR. Mr. Roemer, I would like to address the WIC program in particular. One thing that I know we are working on in Texas as an example is to try to allow groups of physicians, group practices and HMOs, to actually sponsor their own WIC programs. This would allow a lot of accessibility, once again, ease of accessibility for a lot of families, plus would probably introduce a lot of efficiencies, like for instance the blood tests that the WIC offices do to monitor anemia and so forth. The physician could use the blood test that they were doing for other purposes, for instance, and use some of their own staff members to fulfill some of the functions. And that is something that we in Texas would like to see more of.

Chairman GOODLING. Do you have a quick response?

Mr. TEMPLE-WEST. An example of the paperwork, if you want an after-school program in the school, you have to license the school as a childcare center and bring it in under the childcare program. Then you can only serve children through 12. That seems a little round about, but we have done it. We serve them that way.

Chairman GOODLING. Dr. Weldon. I introduced you that way since there is another Doctor on the panel.

Mr. WELDON. Thank you, Mr. Chairman.

I want to thank all the panelists for their very enlightening testimony. Indeed I have too many questions to confine to five minutes. It is really hard to pick from which one to start, but I do want to make a couple of comments for the record.

I was hired by the voters of my district to come here and represent them because of a deep concern, on the part of a lot of taxpayers, regarding the proper use of our tax dollars.

In particular there is a tremendous amount of concern regarding the issue of the deficit and the impact that will have on our children. One of the interesting phenomena that has been described by a lot of conservative thinkers is that once you create these programs, the clientele mushrooms, and it indeed contributes to the issue of eroding responsibility in our culture.

There has been a lot of dialogue regarding coming from the left as well as the right, that there has been a tremendous erosion of personal responsibility and family integrity. Granted, there is a tremendous amount of need out there. I have seen it as a physician, particularly working with the elderly and the Meals on Wheels program, which is a great program. I would like to say, when you step in and you see this need and you say we have to create a program to address that need, then suddenly the need begins to grow.

And how do we put a limit on this so that we are not eroding the integrity of families? Indeed, can you get at the whole issue, isn't it an appropriate function for government to be in the business of feeding people. And I am sure, Mr. Fersh, you're aware of this, there is no constitutional provision in our Constitution to give the government the authority to be involved in the business of feeding our citizens.

I am not by any means saying that we should completely abandon this type of enterprise. Also, Ms. Hurt, I would like you to comment on this issue. You made comments I think twice about your tremendous concern about there being stigma.

I was raised by my father, who grew up in the Depression and went hungry as a child growing up, that it was a terrible thing to take a handout from anybody. He instilled in me one of the things that motivated me to start working while I was still in school. As a young boy growing up, I started working and buying my own clothes and doing things like that.

It would seem we would want some stigma associated with taking handouts or the taxpayers' money for food. Maybe you could start commenting.

Ms. HURT. We want to feed all children. All children need good nutrition regardless of their income. But the way the program is currently set up, we sort them out by income. And knowing what it is to be poor, and frequently there is this image of the program that it is a program for the poor, so that then those who pay the full price don't want to be in it, and then the poor are ending up in the line by themselves.

And that is the thing that we want to get away from. All children need good nutrition.

Mr. WELDON. How do we get away from that, though?

Ms. HURT. We have suggested that we do feed all children, because all children need good nutrition and that we don't collect income data from families, but that having lunch at school becomes a part of their education. And then they learn how to eat for the rest of their lives.

The Gunderson Clinic in LaCrosse tells me that if we begin now and provide our children with good nutrition, that it will have an impact on our health care costs. But it will be 40 years. So we need to start now.

Mr. WELDON. We are running out of time. Could you just comment on the issue I just talked about, eroding responsibility, and how you balance that with this ever-growing desire to have more programs?

Mr. FERSH. Thank you for the opportunity to speak to this issue. I think it is a fundamental issue and a very important one for all of us to examine. I will simply say to you that it is not my view that these programs create or build dependency.

I do believe we need to maximize the role of parents and communities to deal with kids' problems. But fundamentally what we have discovered in this country is we had recruits for World War II who could not pass physicals. We had widespread anemia and growth stunting in this country. All of this has been ameliorated by these programs.

These programs are working. And I think the most important thing I would say to you is, whatever the underlying reason, this goes back to the dialogue with Mr. Greenwood, what we are talking about are children. All these programs, child nutrition programs are all children. WIC, 5 million of the 7 million are children. The other 2 million are pregnant or postpartum women.

Food stamp program, 52 percent are children. Children and their families get 82 percent of all the benefits.

What we are saying to you is that while we want to work with you on the underlying causes, I don't believe—this is a personal belief, now—that these programs are what create the dependency. I think there are other, more serious underlying problems people

face. But if people begin to spend all their time and energy—and I appreciate your own personal story—if people spend all their time and energy trying to keep food in their mouths and shelter over their head and clothing on their backs, they will not be able to put their time and attention into the longer-range strategies and training and education they need to be self-sufficient down the road.

Chairman GOODLING. Mr. Reed.

Mr. REED. Thank you, Mr. Chairman.

Just two general areas of questioning. As I understand one of the consequences of this proposal, the 50 States could have 50 different nutritional regimes. They could decide in Georgia that peanuts are probably the best thing that a kid could eat. They could decide in Rhode Island that quahogs are the best thing to eat. It just seems to me whatever we do we should maintain the Federal standards of nutrition, consistent standards throughout every State program.

I wonder if there would be any thoughts from the panel on dealing with this issue on a direct way on that issue. Doctor?

Dr. LUKEFAHR. Thank you, Mr. Reed.

I think that is a very big concern. What I like about WIC and the school lunches in particular is that you can't get potato chips with your WIC vouchers or with your school lunch. These are specifically designed packages of food to address nutritional needs. And I think there would be pressure at the local level to incorporate whatever is the local cash crop into the scheme, whether or not it really works for the kids.

Ms. HURT. Yes, I would also like to address that. We do support nutrition standards in the Nation. We have spent quite a bit of money developing the Food Guide and Pyramid we we use in nutrition education materials and the dietary guidelines for Americans. Last fall, we passed legislation that would require schools to meet the dietary guidelines by July of 1996.

And so we are gearing up for that. And we don't want to lose that. So we do need nutrition standards set at the national level that would be applied to all programs.

Mr. REED. Thank you.

Let me take another tack. And that is, just questioning seriously the logic of putting these programs together, because they are disparate programs that deal with very different populations. You have women and children, and I think one of the overriding issues is not just nutrition but also health care, as you pointed out so eloquently, the savings realized in terms of Medicaid dollars, et cetera, and then you have seen your programs which I think also is a significant health component, as Meals on Wheels, et cetera, maintain health.

Then you have the food stamp program which is basically an income program. We could just as easily increase the AFDC payments and take away food stamps if you wanted to maintain the program. It is really a different program.

And so I have got a deep problem with lumping these all together as if they are all apples when in fact they are apples and oranges. I wonder if you could comment on the panel just on the logic of doing this.

Mr. FERSH. I think I am elected.

Mr. Reed, I agree with those general sentiments. There is a genius to the current system, intended or unintended—for your benefit I will say intended—that says, "Okay, we are going to feed kids in certain settings that really makes sense." In schools this linkage makes sense. In many places after-school care makes sense to take care of latchkey children. You want to feed children and give them proper nutrition in childcare centers.

The success of WIC is in large part because it is linked with the health system. If we cashed out WIC or added food stamp benefits for pregnant women, you would lose all the benefits of bringing women in for prenatal care and coordinating with the entire health program. And neither the schools nor the health system can deal with the underlying problems of programs like food stamps which tries to deal generally with the population and establish at least a nutritional baseline for people.

Here I would say, although it is not in your committee's jurisdiction, that the food stamp program is an incredibly important equalizer among various States. The levels of assistance across the country have been very uneven, and the food stamp program does make sure that at least nationwide some nutritional levels are being met.

Mr. REED. Just a final point—and this is looking ahead, I know the time is running out—but you are at the local level, and we always get slammed here for thinking too hard here in Washington about what America should do. If this program goes through, my sense is that you are going to have the old competing against the young competing against the poor. There is not going to be enough money and people are going to lose out.

I wonder from your perspective, as local officials, is that your take on it and what do you think is going to happen?

Ms. TAYLOR. We are very concerned about that in the aging field. The whole tenor of the aging field, and the White House conference is coming up in May, is more emphasis on intergenerational. My board of directors recently passed a resolution related to some FEMA funds, because they were very concerned in an area like ours, where the numbers of poverty people are smaller percentage, they often have difficulty getting service.

So we are concerned about all ages and very frightened at the prospect that these programs would be pitted against each other. It doesn't make any sense, because we have demonstrated over and over that it is less expensive to do community-based service than it is to run into health care.

And these kids that these folks are talking about, when they get to be senior citizens, then they have all the health care problems, and that is a nightmare.

Mr. REED. Thank you.

Thank you, Mr. Chairman.

Chairman GOODLING. Mr. Cunningham.

Mr. CUNNINGHAM. Thank you, Mr. Chairman.

I would say to the panel, stand by. Joe Kennedy on the House floor, along with Ross Perot, said our number-one enemy in this country is not law enforcement, not children's nutrition, not anything; it is the national debt, because it prevents us from doing the things that we want to do. I look at the same liberals who will in-

hibit reform systems. They are going to hurt us—and I include you among them—and I will be specific.

First of all, we have got 168 unfunded mandate amendments on the floor that would stop unfunded mandates that want to prioritize things. But yet that stops you from the very thing you are fighting for. And I ask you to support those kinds of amendments and get behind them if you really want to help us.

I look at illegal immigration in California. I just spent with Governor Wilson—take a look at this, if I have got if here. Take a look at the costs in the State of California of illegal immigration. Five hundred thousand illegal immigrants K through 12 at $5,000 each.

You don't think that doesn't impact children's nutrition? I want them out of there and I need your help and support for it.

I look at food stamps. You talk about how great the food stamp program is, Doc. Did you ever watch "20/20" and the fraud, waste and abuse that is in that? I need you to fight to clean it up to be able to help you. But yet I don't see that with the liberals. They want to fund illegals. They want the food stamps. They want more money. And we need some help in it.

I met with the governors, and they are asking for block grants. They want the flexibility, they want to do away with the bureaucracy, they want to do away with the Federal reporting, and they wanted to have the flexibility to run their programs in the local levels. And they will cut 15 percent and make it work better. And the governors who run the State programs are telling us this, and that is what they want.

Now, on the other hand, let me be a little gentler. WIC works in our State. It is a good program. I support keeping the food nutrition programs out of the welfare block grants—the school lunch, the school breakfast.

And I would say to Ms. Taylor, they are not senior citizens. They are chronologically gifted folks. But we need help like the earnings test. Let's set up childcare centers. I have got senior citizens that want to set up childcare but they can't earn more than $11,200 or we tax them. Fight for those kinds of things, and it will help you and it will help us. But the liberals say, Give me more, give me more, don't cut me.

If you don't get along with your governor, you better build a bridge quick.

Secondly, Karl Marx is not in charge in River City anymore. Secondly, you need to run your program like a business. And I would ask you to come to this committee with areas in which you can help us fix the system. The food stamp program, the illegal immigration problem, all of those are coming from the things we want to do and increasing the debt.

The unfunded mandate thing, I sat there and watched 168 amendments proposed, and that is part of our problem. If it is important, let's fund it.

And I would ask the gentleman, how are you—I heard Ms. Hurt and Mr. West talk about how they are going to help it. The other panelist, they are going to say, Give me more, give me more, don't cut me. How about some reforms? Have you got any ideas?

Mr. FERSH. Mr. Cunningham, a couple of points I would like to make. First of all, I want to tell you that I had the honor of work-

ing for three congressional committees before I came to FRAC. The first job I had on Capitol Hill was to work for the Senate Budget Committee. And I too share the concern about deficit. We might debate how to get the deficit down. But there is no statement here that doesn't say we shouldn't cut.

The other point I will make is when I worked on the Senate Agriculture Committee, at that point in the Minority, the committee chaired by Senator Helms, I helped design billions of dollars in nutrition cutbacks, cutbacks I felt were ill-advised.

Mr. CUNNINGHAM. Just tell us how to do it.

Mr. FERSH. The point I want to make to you is if Congress decides as a matter of economic health for the country that—all of us want to be at the table to help you design that, if it needs to be done, we argue it should not be taken out of the mouths of children and elderly people, not at first, certainly. But if that job needs to be done, we will work with you. But don't undermine the structure that means these programs may not exist over time. That is the first point, and we will work with you on that.

On the issue of food stamp fraud, I agree with you that something needs to be done. But I would suggest you can't get rid of food stamp fraud by passing it on to the States. Unless you pass a program that defines fraud by its very nature, you still have to invent the better mousetrap.

I would suggest that keeping some Federal controls, the abilities to invent a system at the Federal level, coordinate among States so people don't run agross States, is a better way to control it.

We have called for enhanced implementation of expanded electronic benefits transfer which we understand will eliminate large parts of the problem, not all the problem. We believe that should move forward.

Thirdly, you probably have more dialogue with governors than I have. I have had the honor of meeting two weeks ago with the new Republican Governor of Kansas.

Mr. CUNNINGHAM. Tommy Thompson is one of the leaders of that.

Mr. FERSH. All I am saying is I don't hear unanimous voices there. Last week I was at the U.S. Conference of Mayors meeting and I met with the mayor of Detroit, Mr. Archer, and he said he doesn't agree with Governor Engler. He is closer to the problems, he doesn't believe these programs ought to be block granted. He respects his views, but on nutrition he thinks it should go the way you said, it ought to be separated out from welfare reform.

Mr. OWENS. Mr. Chairman, point of personal privilege. Can a liberal answer the previous question?

Chairman GOODLING. Your time will come.

I am reminded when I hear this discussion, we have a talk show host and one of the local stations back home, and of course nine times out of 10 I can't wait to get off the road and call in so that I can get on his back. But he started out the other morning by saying, "Why in the world would they ever start their cutting with the arts and the humanities?"

So I quickly got off the road and I called in and I said, "They are all in my committee. Where would you like me to start, school lunch and child nutrition?" He said, "No, no."

Ms. Woolsey.

Ms. WOOLSEY. Thank you, Mr. Chairman.

I am sitting here being very, very proud of being a Democrat and being a liberal and knowing that, yes indeed, we do neglect our children. We are neglecting them when we send them to school hungry. Maybe it is their parents that are neglecting them. But I believe it is not only parents, it is the economy in general.

We have an economy where if a youngster is lucky enough to have two parents, both of those parents probably go to work. Hopefully they do. If they are a responsible, work-oriented family, definitely both parents work, oftentimes leaving that child home, because we don't have a childcare system that will take care of them.

So a very young child leaves for school after their parents have left for work, arrives at school having probably taken on more responsibility just getting to school than that child should have to take on for an entire day.

So that child is not only possibly hungry; that child is possibly frightened and scared. That little kid is the one that turns out in junior high school to be damn angry, because that child has been neglected, and they know it, and they resent it. And I am telling you, we start investing in children now, at the front-end, so we don't have to invest in them late whether they are angry and on the streets and causing problems.

Children can't learn when they are hungry. And we have to face up to that. It is our responsibility. And if we don't face up to it, we are neglecting our children, all of them. We are also neglecting seniors who want to live at home, can't if they don't have a balanced diet, and we need to look at that also.

Food is very important to the people in this country. And we are the richest nation on earth. Why would we be withholding food from anyone?

One of the questions I want to ask, and any of you that feel like answering it, with the Personal Responsibility Act, to combine all the Federal nutrition programs into one block grant, they also are suggesting a cap on annual appropriations.

Would your States be able in times of recession to provide the extra food that would be necessary in these programs because in times of recession, of course, there would be an even greater demand? Could you see your States filling that gap, making up that difference?

Ms. Hurt?

Ms. HURT. I can address it from the point of view that we did ask our State for three cents more for breakfast and we were unable to get that in the State of Wisconsin. And I can also tell you that we do have cost controls on our school budgets. And so it is unlikely, I think, that we would receive additional funds from the State or from the local school district to deal with those times.

Ms. WOOLSEY. Would anybody else like to respond?

Mr. TEMPLE-WEST. Yes, I would. And indirectly to some of the other questions.

The States are going to have to establish some sort of bureaucracy to manage H.R. 4. They are going to actually have to set up—they are going to have to hire somebody to write policy and regulations and reimbursement forms. They are actually going to have to

establish what now exists in the Department of Agriculture in 50 States.

Now, obviously then the State will decide whether or not—once they have got their bureaucracy in place and that bureaucracy may be self-perpetuating at the State level and be able to find its own money to continue these programs at the State level.

Ms. WOOLSEY. Do you think they would find the money?

Mr. TEMPLE-WEST. Well, bureaucracies tend to perpetrate themselves and I suspect some of them may and some of them wouldn't. I suspect what we are doing is changing one bureaucracy for another, and for 52—so—I mean, talk about—what I don't see is it getting down to our level.

The States think they may be saving money with this. But I don't think they are going to make our job any easier. In fact our job will probably get harder because we are going to have to prove need at the level. Each little childcare center now is going to be in competition with everybody else. And it is going to have to say—now you are going to have to come up with needs assessments.

It is going to be an enormous amount of work.

Ms. WOOLSEY. Anybody else? They haven't cut us off yet. I am your friend, Mr. Chairman.

Chairman GOODLING. Is there someone who was real anxious to respond to the gentlelady's statement or question?

Mr. LUKEFAHR. Very briefly, I also am extremely concerned about this competition issue, especially with no qualifiers as to how the money is to be spent. I think smaller programs like WIC will be absorbed in the bigger picture. I think competition is a serious issue.

Chairman GOODLING. Of course WIC probably would do well if we wouldn't change things because they have a 12 percent set-aside.

Mr. LUKEFAHR. Mr. Chairman, could I address that? I am sorry, Mr. Chairman, could I address that?

Chairman GOODLING. When it is my turn to question.

Mr. Riggs.

Mr. RIGGS. Thank you, Mr. Chairman.

The last few minutes, anyway, has been particularly stimulating. As a fellow Californian, I want to follow up on Mr. Cunningham's remarks because we did meet earlier today with Governor Pete Wilson of California, and he stressed to the Members of the California Republican congressional delegation that he and his fellow governors, the majority of whom are now of course Republicans, meeting over the last few days here in Washington, DC, were inconsistent that we here on Capitol Hill in the Congress hear their concerns.

And their concerns really boil down to asking the Congress, and I think this is reflected through the contract, but also in the PRA, for more autonomy and more flexibility. They want us to end individual entitlements wherever possible, and shift the thinking in this country from an entitlement mentality to more emphasis on personal or individual responsibility, as Dr. Weldon was alluding to.

They want us to eliminate maintenance of efforts requirements on block grants. They want to us block grant welfare programs.

Governor Wilson stressed that he believes we should allow States maximum statutory flexibility to determine eligibility and benefit levels.

So with that as a backdrop, let me ask you a couple of very specific questions.

One is, and I guess I will start off by asking as a former school board member, school board president myself, a member of CSBA and NSBA, I will ask Mr. Boehlje to respond to this question. Is it not possible that eliminating much of the burdensome paperwork in the school lunch and breakfast programs could actually reduce cost and allow schools greater flexibility in providing nutritious meals to low-income children?

Mr. BOEHLJE. Certainly I think that is possible. But not very probable. I just don't think that is going to happen.

I think when you shift it to the next level in the process, particularly, to use the example in your situation, in your particular State, of the whole issue of immigration and a philosophy expressed by a number of your people that we should be providing absolutely no benefits to those people who are not legal immigrants in the school system.

The next step you are asking or a number of people are asking is for the school districts to be the policemen in that situation and to provide the information and to then make a determination on whether these people ought to qualify for free or reduced lunches, this type of thing.

When you get into that type of philosophy, if you can make the decision at the local level, that is one thing. But what we are talking about here isn't going to be that decision-making power at the local level and there is no guarantee of any particular funding to go at the level. So local districts are going to be prohibited from making those decisions.

And certainly the amount of paperwork and administrative costs, there is just no guarantee at all that that is going to be lessened.

Mr. RIGGS. Let me just respectfully disagree to the extent that we can—what is the term that is floating around Washington these days, devolve or have a devolution here in Washington, but to the extent that we can return responsibility to State and local education agencies, I think that is very much in keeping with the long-standing American tradition of decentralized decision making in public education.

But let me segue to Dr. Lukefahr because I know he wanted to make a comment about how PRA would continue to treat the WIC. Let me pose it in the form of a question. The PRA reserves 12 percent of each State's block grants, a program similar to WIC. This amount is expected to fully fund WIC in each State.

If this is accurate, how can you assume that an appropriate food package would not be provided to individuals participating in the program, and for any of the other folks here on the panel, why do you believe that States would not develop and include their own guidelines which would ensure nutrition and well-balanced meals?

Dr. LUKEFAHR. Mr. Riggs, actually the bill does not set aside 12 percent for WIC. As you mentioned, it sets aside 12 percent basically for women and children. And my reading of the bill is that there is nothing to keep a State from saying, "Well, 25 or 30 per-

cent of our food stamps go to women and children, ipso facto our job is done."

And I think that under the pressure of the constraints of State budgets, that there would be a lot of pressure to not specify programs in greater detail than that.

Mr. TEMPLE-WEST. I would assume that—and as I said in my testimony, the States will probably have to continue with existing Federal regulations until they can get their arms around this. I don't see any other way. If this thing goes into effect October 1, I don't see any other way for the States to work it.

Chairman GOODLING. Mr. Martinez.

Ms. HURT. You asked if we could save money by reducing that paperwork. But we couldn't save 17 percent. That is the cut we would receive nationwide with the PRA. We could save, you know, maybe 2 or 3 cents a meal. When I looked at that one position in my office it said, Well, this one would no longer be needed, that is about what we would be saving.

Chairman GOODLING. Mr. Martinez.

Mr. MARTINEZ. Thank you, Mr. Chairman.

Mr. Chairman, I understand that you will allow the Members to enter their statements in the record.

Chairman GOODLING. Without objection.

Mr. MARTINEZ. I would like to also add the extraneous material. Fernando Torres, the Under Secretary, was going to testify last week. I would like to submit that for the record.

Chairman GOODLING. Is there objection? Without objection.

[The information follows:]

STATEMENT OF

FERNANDO M. TORRES-GIL

Good morning Chairman Goodling, and Members of the Committee. I appreciate the opportunity to come before you to discuss the Elderly Nutrition Program of the Older Americans Act, which serves all those 60 years of age or older regardless of income. In addition, I will discuss Title V of the Personal Responsibility Act which includes a provision to consolidate a number of nutrition programs into a block grant called the Food Assistance Program. One of the programs being considered is the nutrition services of the Older Americans Act.

As you know, the largest provider of community nutrition services for the elderly is the Elderly Nutrition Program, funded through the Older Americans Act and administered by the Administration on Aging (AoA).

As the Assistant Secretary for Aging, I oversee the administration of the Older Americans Act and the programs funded by it, including the Elderly Nutrition Program (Title III-C). My own involvement with this program dates back to 1973 when I was one of the original trainers who worked with project directors hired to set up the original "Title VII" Elderly Nutrition Program. The current Title III-C contains two federally-funded parts, Congregate Nutrition Services (C-1) and Home-Delivered Nutrition Services (C-2). The services provided under the two parts are similar, but they are targeted to different populations of older people. In addition to Title III-C, similar nutrition

services are provided to American Indians, Alaskan Natives, and Native Hawaiians under Title VI of the Older Americans Act.

Overview of Nutrition Services within the Older Americans Act Network

Let me briefly describe just how large this network of nutrition programs has grown. This fiscal year AoA will distribute almost $500 million to 57 States and territories and an additional $16 million to Indian Tribes earmarked for both congregate and home-delivered nutrition services. AoA funding for these services are supplemented by the USDA Cash and Commodity Program, participant donations, and State and other funds.

According to the most recent 1993 figures, about 225 million meals were served through the network of over 2,200 Title III(C) Elderly Nutrition Projects at over 15,000 community nutrition sites. Forty-five percent of those meals were provided to the elderly in their own homes. For example, there are approximately two elderly meal sites in a community providing hot and nutritious meals as well as other supportive services to the elderly for every McDonald's restaurant in that same community.

It is important to note that nutrition services do not operate in isolation but are a part of broader, balanced, integrated approach to a comprehensive and coordinated system of services that includes social and supportive services as well as health

and medical services. The problems of older people are both medical and social, and there are indications that poverty and social isolation go hand in hand. Lack of social support can also play a role in the development of disease and disability, and researchers have shown a relationship between lack of social support and chronic illness.

Congregate and Home-delivered Nutrition Services address this need as well as many others. The objectives of these programs are to provide healthful meals and related-nutrition and supportive services to nutritionally at-risk older people. Other nutrition services such as nutrition screening, assessment, education, counseling, outreach, meals for special diets, shopping assistance and referrals to food assistance programs also are included. These services are tailored to and supported by local communities. These services are more than vouchers for food.

The Congregate Nutrition Program provides intangibles such as camaraderie and friendship as well as the opportunity to participate in community volunteer activities, and get access to other services. Social isolation, grief and depression effects how individuals eat as well as function. The lack of social support can play a role in the development of disease and disability and researchers have shown a relationship between lack of social support and unhealthy outcomes of illness.

The Congregate Nutrition Program addresses these needs and is an integral component of a continuum of comprehensive and coordinated community-based services to enable older Americans to remain at home in their communities. In addition to the prepared meals and other nutrition services, supportive services such as transportation, health promotion and disease prevention activities, health screening, benefits counseling, caregiver support groups and social activities are also offered.

Many congregate sites are run by community volunteers, many of them elders themselves. You may be interested to know that in a disaster, such as the Los Angeles earthquake, floods in California or the floods of the Midwest, congregate nutrition sites also function as disaster assistance centers, often because they might be one of the few community facilities with a functioning kitchen. These congregate sites are not only essential in times of extraordinary circumstances, however; as noted above, there are a wealth of services provided, as well as offering a daily center for fellowship, and a sense of belonging, for elders throughout the year.

Congregate Nutrition Programs offer unique intergenerational opportunities. In Seattle, Washington, the SPICE Program, a congregate nutrition program offered in elementary and secondary schools provides the opportunity for intergenerational activities between elders, children and youth.

Since I was appointed Assistant Secretary for Aging in May of 1993, I have had an opportunity to travel extensively throughout the United States spending time with our constituents, our seniors. During my travels, I have heard many stories about the importance of nutrition intervention and nutrition services which are provided by the Older Americans Act nutrition program. Let me share an example with you. During a visit last year in Tennessee with Vice President Gore's mother, Pauline, I visited with two older women, one in her mid-60s with severe arthritis and her mother in her mid-80s, who had suffered a stroke. Both women had sufficient impairments that nursing home placement was possible. However, the provision of essential nutrition intervention, a daily home-delivered meal, and the visits of a senior companion provided just enough social and nutrition support to enable both women to stay at home in the community caring for each other rather than in a nursing home.

Twenty years ago, in 1974, the first full year of the Older Americans Act funded home-delivered meal program was in operation. The Administration on Aging limited the number of home delivered meals to 10 percent of all meals provided. Today, home-delivered meals almost equal congregate meals, and if trends continue, will soon exceed congregate meals. In a few years we have gone from a period when home-delivered meals simply did not exist to the present appreciation that meals delivered to the homes of the elderly is a fundamental core service necessary for

keeping functionally disabled elderly people in their homes and in the community.

Home-delivered Nutrition Services are targeted to the more frail, vulnerable, and functionally-impaired elderly and again offer more than a meal. The person delivering a meal may be a homebound person's primary link to the outside world. Service providers tell many stories of finding older individuals who have fallen or need medical attention. Perhaps one of the most moving statements regarding home-delivered nutrition services comes from an older man in Ohio. He said, "I need my home-delivered meal to keep me alive. And I need my meal delivery person to find me when I die." This service is indeed integral to life and death.

Home-delivered nutrition services may be the one essential service that keeps a person in their home and not in an institution. Home-delivered nutrition services also offer vital family support. At any one time, 95 percent of older people are at home in their communities with families providing essential care. Nutrition services, especially home-delivered meals, help support the families and caregivers.

As recent media attention to the problem of hunger in America has indicated, the need for community nutrition services through the Elderly Nutrition Program is increasing. It has been reported that waiting lines exist in various parts of the country.

Preliminary 1994 data from a New York state-wide telephone survey of the need for home-delivered meals indicated that 6.6 percent of the over-60 population or 193,000 individuals were in need of home-delivered nutrition services and that 30 percent of these individuals could be served with current funding.

These examples illustrate some of the different risk factors that can lead to hunger and malnutrition. These risk factors include diseases and conditions; specially prescribed diets; mouth and tooth problems; unintentional weight loss; disability and functional impairment; chronic use of multiple medications and alcohol; poverty and social isolation. Although I could provide examples or statistics for each factor, let me just address poverty. In 1991, over six million persons age 65 and older were living near or below the poverty level.

Support for this program is not limited to the Federal government. Nationally, there is substantial private sector/state/local community financial and volunteer support for Congregate and Home-Delivered Nutrition Services. Although there are no fees or charges in this program, older persons are encouraged to contribute through volunteerism and financial support to help defray the cost of services. In Fiscal Year 1993, program income, including contributions from participants was over $180,000,000. These contributions were used to expand services. Also, volunteers--many of them older Americans--

perform essential tasks such as managing nutrition sites, delivering home-delivered meals, record keeping, food service, nutrition and health education activities. Communities also support Congregate and Home-Delivered Nutrition Services through the donation of facilities and space, equipment, utilities, labor, and food.

H.R. 4, the Personal Responsibility Act

Mr. Chairman, next I would like to direct your attention to Title V of the Personal Responsibility Act, which would consolidate into a single block grant to States a number of Federal food assistance programs administered by the USDA, including food stamps and WIC, but would also include the Older Americans Act Congregate and Home Delivered Nutrition Services Programs.

As the Head of the Administration on Aging mandated to serve as the chief advocate for the elderly, and as the head of the agency with responsibility for the Older Americans Act, I am deeply concerned about attempts to include the Title III-C Older Americans Act nutrition program into any consolidation effort and its impact on the well-being and future of our Nation's elderly and their families. I strongly feel this would be catastrophic for millions of senior citizens and their families.

The Personal Responsibility Act would significantly reduce federal support for food and nutrition assistance programs. Federal funding for 15 domestic food assistance operated by USDA and other programs designed to meet the needs of specific vulnerable populations, such as the elderly, would fall by more than $5 billion in fiscal year 1996 and nearly $31 billion over five years.

The Personal Responsibility Act would repeal all existing authority for food assistance programs, all authority to establish nutrition standards for these programs, and all authority to provide nutrition education to anyone other than women, infants and their young children. It would also eliminate USDA support for elderly meals-on-wheels and congregate feeding.

Food assistance funds would be provided to states in a block grant, requiring only that the funds be expended to provide food assistance to individuals who are economically disadvantaged separately or as members of economically disadvantaged families. The block grant will require massive redistribution of food benefits among the States. The proposed formula for distributing grant funds among the States bears little relationship to the existing distribution of program funds.

The combination of the initial cut in funding for the grant and the statutory floors on spending for services to women, infants,

and children will force States to make difficult decisions. After setting aside 12 percent for food assistance and nutrition education to women, infants, and children and 20 percent for child nutrition programs, the remaining funds are well below the amount currently projected for the Food Stamp and other nutrition programs. There simply will not be enough money to support the current level of services. Every food assistance program and the people it serves are put at risk, and those who are least organized and least represented in State policymaking are put at the greatest risk.

The consolidation of the OAA nutrition programs in this manner would have a significant adverse effect on the provision of not only nutrition services to the elderly, but also other supportive services currently funded under the Older Americans Act.

The Older Americans Act of 1965 has been favored with strong bi-partisan support over the past 30 years. A national network on aging includes the Administration on Aging, 57 state and territorial agencies, some 657 area agencies on aging, more than 25,000 private sector providers and some 500,000 volunteers. Unlike most agencies with responsibility in a particular substantive area, such as health, housing, or transportation, this network focuses on issues affecting the well-being of the elderly in these and other areas. Unlike most programs, the services provided by this network are not limited to the poor,

but are available without regard to income. The federal appropriation--$877 million in FY 95--is augmented not only by state and local match but by in excess of $180 million of voluntary contributions by the recipients of services and the in-kind contributions of hundreds of thousands of volunteers, without whose efforts these services would not exist.

Mr. Chairman, the nutrition services of the Older Americans Act, with an appropriation of $470 million in FY 95, deliver 100 million meals to about 800,000 older individuals who are homebound, some recently discharged from a hospital, some capable of remaining in their home in lieu of much more costly placement in a nursing home because of these meals and additional assistance. The nutrition services of the Older Americans Act also provide about 125 million meals to 2.4 million older individuals at 15,000 sites in congregate settings, from church basements to multi-purpose senior centers. In addition to meals, older individuals may receive nutrition education, nutrition screening, nutrition counseling and linkage to other services they need. OAA services and particularly the senior meals programs have a lengthy history of success. In short, the programs work and they work well.

Consolidation of the OAA meals services funding into a single block grant would fundamentally alter the nature and scope of the programs in a number of ways, for example:

- The proposal would repeal Federal Food Assistance Programs including Food Stamps, School Lunch, as well as the congregate and home-delivered nutrition services programs under the Older Americans Act (OAA).

- The proposal would replace these programs with a new Food Assistance Block Grant program to the states.

- The funding available to the states for the Food Assistance Block Grant program would be based on the number of economically disadvantaged people in the state.

- The Food Assistance Block Grant Program could only be used to provide food assistance to economically disadvantaged people; to receive food assistance, individuals would be required to meet income eligibility criteria. Currently OAA programs are available regardless of income, but are targeted to those in greatest social and economic need.

- There is no requirement that the states maintain the existing level of community nutrition services to the elderly, nor the OAA nutrition programs themselves. Congregate and Home-Delivered Nutrition Programs are the glue that binds the OAA network and home and community-based services together and provides the base funding to most senior centers in the country. Without these programs,

senior centers and the home and community-based service network may cease to exist.

Key Characteristics of the Older Americans Act Network

The inclusion of the nutrition services of the Older Americans Act in a Food Assistance Program limited to the economically disadvantaged would, in my judgement, have a severe adverse effect on millions of senior citizens and their families who have depended on a very reliable, time-tested, consumer-focused, flexible and successful program.

- The Congregate and Home-Delivered Nutrition Services Programs of the Older Americans Act (OAA) are much more than just vouchers for food for economically disadvantaged older people.
- The Senior Nutrition Program is a fundamental part of a comprehensive home and community-based service system aimed at keeping older people at home, supporting family caregivers, and avoiding unnecessary and costly institutionalization. The Congregate and Home-Delivered Nutrition Services Programs provide the point of contact that facilitates essential linkages to other home and community-based services, such as transportation, home health aide, chore, etc.. This proposal will unravel the fabric of this system.

- The current program is not means-tested, but traditionally has served those with greatest economic need. It maintains the dignity of the nutritionally at-risk older persons by providing mechanisms for participants to contribute according to their ability to pay.
- The Congregate and Home-Delivered Nutrition Services Programs are federally-funded, state administered programs that are low-cost, consumer-focused, locally managed and "owned" programs that work.
- The Congregate and Home-Delivered Nutrition Services Programs have high visibility and are the glue that binds the OAA network and home and community-based services together.
- The Congregate and Home-Delivered Nutrition Services Programs leverage other federal, state, and local government funding as well as community contributions such as space, use of facilities and equipment, utilities, and food donations and private donations of money, volunteer time and other resources.
- Nationally, older participants contributed $180 million to these programs as well as providing immeasurable amounts of volunteer labor. By providing the opportunity to contribute and volunteer, the programs maintain the dignity of older people and allow them to pay back for the service.
- The goal of streamlining programs should be to increase their responsiveness to consumers. Separating the Senior

Nutrition Program from other aging service programs will make it harder for communities to respond to older people who have complex and multiple needs.

- The Senior Nutrition Program is consumer-focused and has broad community support due to its flexibility and its role as point of contact and link to the broader aging service system.
- In many communities, the Congregate and Home-Delivered Nutrition Services Programs provide the program base to serve other at-risk and in-need populations including younger disabled individuals including younger disabled, veterans, and individuals with AIDS or other diseases.
- Nutrition services are cost effective; studies have indicated that for every dollar spent for nutrition services, a minimum of three dollars are saved in health care costs.
- Congregate and Home-Delivered Nutrition Services are cost effective by enabling earlier hospital discharge and delaying premature institutionalization.
- Congregate and Home-Delivered Nutrition Services support families and caregivers.

Consequences of the Provisions of the PRA

We have heard from numerous State and local officials expressing concern about the impact of the PRA on elderly nutrition services. For the most part, these officials believe that the

consequences would be deleterious for the elderly population currently served and the fabric of the Aging Network.

Their concerns may be summarized as follows:

- Decrease in service or complete elimination of service to elders;
- Increase in fragmentation of the service systems, resulting in decreased service to elders;
- Decrease in availability of funds, resulting in decreased service to elders;
- Increase in administrative costs, resulting in decrease services to elders;
- Decrease in program accountability;
- Decrease in program participation;
- Increase in intergenerational conflicts and decreased intergenerational collaboration;
- Decrease in quality of service;
- Decrease in services available;
- Increase in health care, Medicare costs and institutionalization, Medicaid costs.

As these services are being linked to home and community care-based systems, there are increasing pressures for community nutrition service programs to be effective and efficient. Through collaborative efforts within the aging network, with other Federal, State, and local government entities, public and

private partnerships and the business sector, the Administration on Aging and the aging network are attempting to meet this challenge. Together we are working to better meet the health and nutrition and supportive service needs of older Americans from the well and healthy to the ill, frail, and impaired. This effort reaffirms our commitment to preserving the quality of life that older Americans deserve.

In closing, I would like to quote former Congressman and Vice-President Hubert Humphrey who said in 1977:

> The moral test of government is how that government treats those who are in the dawn of life--the children; those who are in the twilight of life--the elderly; and those who are in the shadows of life--the sick, the needy and the handicapped.

We look to you for guidance and support. I would be happy to respond to any questions you might have.

Mr. MARTINEZ. Let me tell you that even if there were 12 percent set-aside, you have to understand that all of the allocations are going to be reduced considerably. In the case of Wisconsin, $65 million. So you'll be taking 12 percent even if it were, unlike what you say is the truth, Mr. Fersh—excuse me, Mr. Lukefahr—but the fact is you are requesting to be taking 12 percent of something much less than the original amount.

The other thing is, I would advise my California colleagues to understand that in California's case they lose 48 percent of their money, 48 percent of the money, that is aside from what they will lose in setting up the new bureaucracy and administration. So you can consider that maybe into the 12 percent, if it takes 12 percent to administer, and most State administrations cost more than that today, that you are going to lose maybe as much as 60, 65 percent of that money that would have gone to feeding the kids.

Let me ask you this. I understand that the paperwork is burdensome and costly. And you have stated it eloquently, Ms. Hurt. The problem is that we established that because we needed accountability in the program because so many of our programs, before had they didn't have accountability, the money was abused. And as a result there were the horror stories about people on food stamps that didn't deserve to be on food stamps, people getting nutritional services that didn't deserve getting nutritional services.

I would prefer to go to the concept that you have: Feed all the kids and you don't have to worry about the qualifications. But if we continue to have a needs-based assessment and do an income assessment to make a person qualify, wouldn't you think that because those people at the lower level that receive free lunches, they aren't as likely to change over the next few years. You might spread out that qualification over a greater amount of time.

Ms. HURT. Sure. We have talked about that, that they would apply once when they come into the school district and then at that application would be carried with them throughout their career in the schools.

You know, I also want to mention that the CRE, the Coordinated Review Effort, was looked at very carefully to see if in fact there were overclaims. And the overclaims that were made were very tiny in comparison to the amount of money that was spent in sending out the State and Federal reviewers to review the programs.

Mr. MARTINEZ. I am afraid that the paranoia of somebody getting away with something has led us here in Washington to now be embarked on what one of the Members called a demolition derby. This is only a part of the demolition derby, to demolish a program that existed over a long period of time, that evolved over a good period of years with a great deal of debate on how it would best serve. Even if the phones were to go, as one of my colleagues conceded, it might be a better idea than sending it to the States, to the school boards, and letting the school boards decide.

School boards are elected on a local basis. They have a tendency to do those things that make them look good to their constituencies so they can get reelected. That is probably the problem in Washington too.

Earlier someone asked the question, if you don't need nutritional guidelines, and I think you do—let me ask the question—wouldn't

the school board have to be required to earmark the money and have those nutritional guidelines come from the Federal Government?

Mr. BOEHLJE. Are you talking about nutritional standards or are you talking about qualifications?

Mr. MARTINEZ. No. Nutritional standards.

Mr. BOEHLJE. I think the school boards should be required to follow the national nutritional standards, the standard that is adopted. But I don't think that is the problem. I don't think—I am not aware of school boards fostering programs that don't fit the nutritional standards as a common issue.

Mr. MARTINEZ. Let me tell you something. Initially, one of the reasons why they were developing national standards is because initially they were people that were claiming ketchup was a vegetable.

Mr. BOEHLJE. That is right. That won't done at the local school board level.

Mr. MARTINEZ. I think you need to be concerned about what that is.

But the other part of the question was, the earmarking, even to the school board, of those funds to be used for that program?

Mr. BOEHLJE. Yes, I think it would be used for that program. Is that the question?

Mr. MARTINEZ. Yes.

Mr. BOEHLJE. Yes, I am sure they would.

Mr. MARTINEZ. Thank you.

Thank you, Mr. Chairman.

Chairman GOODLING. Thank you.

According to USDA, you pick up $650 million and I lose $150 million. So I am not very enthused about that exchange.

Mr. MARTINEZ. That is why you should vote against it.

Chairman GOODLING. Mr. Ballenger.

Mr. BALLENGER. I was going to use the same statistic. I think the USDA statistics, we all question how accurate they are. I was going to bring up the fact that he does gain, of all the States, in this statistical analysis they have got, California comes up smelling like a rose, but the rest of us do get hurt.

I personally would like to congratulate Mr. Temple-West to for making the decisions, actually taking the possibility that this might occur and what would be a better way. But at least you gave constructive, shall we say, directions to reduce costs rather than just sit back and say you can't do it to us.

I also am very strongly supportive of the idea, I know—I was chairman of the county commissioners back home. And we started Meals on Wheels and feeding the elderly, and that 38 percent that you all get in your State is probably equaled in North Carolina.

I would like to say that just as an aside, we found it was great to have our little Baptist church involved in the food for the elderly, and there were ladies that came in in mink coats and so forth that were very happy to sit there and have a meal and talked to the fellows that were just, you know, homeless. And there was a social event that occurred there that probably was very important in their lives.

I personally feel if you look at the big numbers in here, the places that really where the money goes, I am all for WIC and aiding children, but everybody I think in this country recognizes that food stamps are probably one of the most misused programs that we have got.

I mean, these college kids whose families have plenty of money but they are in college now and they are no longer on their family's support, drawing food stamps, it is a system where if we can actually get the Federal Government to enforce regulations where food stamps only went to people that deserved it rather than people who just happened to be able to fit the proper perspective at that time, there is a lot of money that could be generated aside from the addition of trying to reduce overhead.

I personally feel that something has to be done. I think something will be done about the welfare program. And as far as WIC and other programs that almost everybody recognizes are good, how we go about giving the government—you have got to realize, the governors are just as political as we are, and when you take a program as popular as WIC and give them the flexibility to do what they want to, they are going to be under the same gun that we are under. And I think that those governors, I hope, are practical enough to look at where the real weakness in the total amount of money that we are spending, which is food stamps, is where the direction should come.

And that is an editorial statement. I have no question, Mr. Chairman.

Chairman GOODLING. I thank you.

Mr. Green.

Mr. GREEN. Thank you, Mr. Chairman.

Since Mr. Ballenger didn't take all his time, could you add that to mine?

Chairman GOODLING. No. I was thinking of saving that for myself.

Mr. GREEN. I appreciate the panel being here today. I served a lot of years in the legislature before I came to Washington a couple of years ago, in the early 1980s in Texas, and by the way, the report from the Department of Agriculture tells us that Texas will lose over $1 billion in funding if we go to block grants.

So hopefully even, whether you are Democrat or Republican, we will look at that, because I think in Texas we don't provide a great deal of social services, and oftentimes these programs are the basic, and so there is nothing to build on. But losing over a billion dollars for WIC or for seniors or for the school breakfast program just doesn't make any sense, because I know in my district what it has used for. And again, I agree with Mr. Ballenger. The senior citizens nutrition program is a great program, the WIC program, and this is in an inner city in Houston, and the school breakfast program.

Let me relate a story. I have served a long time in State office and represented different kinds of districts. I represented—and my House district was a pure middle class district, very few children who may have been eligible for the school breakfast program. In the early 1980s the legislature mandated on to the schools to provide that school breakfast program.

A good friend of mine who is still the superintendent of my school district where my kids went, and a number of people that are deputy superintendents, although we don't have that many, it is a smaller district, were upset we were going to mandate that on to the schools. The school breakfast program was terrible. They were going to have to add personnel in the mornings to provide breakfast.

And I voted for it. And he was really upset about it and even came to some meetings and talked about it. Within one year that school superintendent, again, who is still there, served many years, came to me and he said, "I was glad that the legislature did that because we couldn't have done it locally." And he said, "Not only do the teachers like it, but the cafeteria workers who they were concerned about coming in early," he said the children are getting a breakfast program and they are starting early.

And when I heard some of the comments earlier about it was neglect for a parent to have to get their child to go to school early because they have to go to work, I think we have to come into the real world, because my wife and I both work. Even in the legislature in Texas, you get $600 whether you earn it or not, so you have to work at some other job. Our children in elementary school didn't have to be there until 6:30 a.m. or 8 a.m. Thank goodness I had a job that I could be flexible and take them, but there are a lot of parents who don't have that option, who have to get their child at school at 6:30 in the morning to be at the job at 7 a.m. We don't want to give up that job, particularly not since November 8.

And so in the real world out there, those parents are not neglecting their children. They are trying to live the American dream and maybe have two incomes or maybe have a single parent who has a job who needs to get that child to school and can't provide that breakfast because of time. You want to get them up at 4:30 a.m. so they can eat breakfast and they get to school an hour or an hour and a half early?

So maybe under welfare reform we could pay for early childhood day-care. That is a good program that I thought that could be good. We could mandate a lot back to the States, and the States may have to do it, because if the State of Texas loses a billion dollars, my legislature isn't going to be happy to tell our seniors or tell our participants in WIC or our school breakfast program they are not going to do it. That is going to be money that is going to have to come from the people of Texas that they are paying now to Washington.

And they are going to have to come up with it or drop the program. And they will drop those programs. Some of those people will be dropped and will lose that. And I am worried that we will lose it. And let me just ask one question, since I have got my yellow light now.

The 30 percent cut in the funding, and I agree we could streamline the program, all the testimony I have read, there are improvements we could do without throwing the baby out with the bath water. But the 30 percent cut in the funding, is that just administrative? Are we actually going to tell some seniors now, "You are not going to have your lunch program," or a child, "You are not going to have your breakfast program," or a WIC mother, like Mr.

Fersh said, "You are not going to have it?" Thirty percent cut, we are actually getting into the programs, we are not just cutting administration.

Mr. FERSH. I think the answer is unquestionably, whether it is 30 or even 10 percent, you get into benefits. I think the important thing is there is no simple answer on administration. You still have to be intake. You still have to check people's incomes. There are verification requirements. You still have to be people who supervise. You have to deal with a whole host of other issues just to run a program.

And so while you might be on the margins, and I think we all applaud the same application of paperwork, it is a small fraction of overall cost. Once you get past the notion that people aren't just going to come in the door free to these programs, you have some delivery structure, and frankly, especially in WIC, you have to have the other support services to make it a success. So we really are talking about cutting muscle here, not just skimming off a bureaucracy.

Mr. GREEN. I thank the Chairman.

I thank the panel.

Chairman GOODLING. Mr. Knollenberg.

Mr. KNOLLENBERG. Mr. Chairman, thank you very much, and panel, thank you for your testimony. I have been in and out this morning a good bit.

The question I raise with you may have been asked, but I have heard some comments about helping everybody who needs it, maybe some of those who want it. We could discuss that, I guess, for a long time. But I want to dwell on one real point, and it seems to me—and I have asked this question of a variety of people, a variety of panels, not just in this area, in this arena, it may be in the insurance arena, mandates, what have you.

But if the goal, and I think it is, if the goal is to help all of those who need it in terms of the variety of programs that you have here, what is the magic of the Federal Government to being the entity that makes the distribution? I have met with people in my home district, and many are saying things like, these are people like yourself, they are in the same capacity that you are, at least something similar, and they never said, "It ain't broke, it doesn't need fixing, don't fix it." And I hear a little bit of that coming up here this among.

But truly, what is the magic of the Federal Government being the dispenser of funds in administering this program? I would turn to any one of you for comment.

Ms. Hurt.

Ms. HURT. I think that the Federal Government provides the national nutrition policy, and what our goals are for providing children with good nutrition. And I don't know if that same overall goal would be met if we did it State by State.

Mr. KNOLLENBERG. Why not?

Ms. HURT. Well, because each State has different politics within the States and different priorities.

You know, we are not totally opposed to reviewing how we fund these programs. We would like to work with you. We are saying

that as structured, under the PRA, it won't work for us, because it doesn't give us the flexibility that we need.

But we need to maintain national nutrition policy and national philosophy and nutrition standards.

Mr. KNOLLENBERG. Any other panel member want to comment?

Mr. FERSH. If I might, I am not sure what portions you may have heard before, but I think what is important to understand is that in many ways what you are prescribing is what existed 30 years ago. With the exception——

Mr. KNOLLENBERG. I am not prescribing anything.

Mr. FERSH. In terms of——

Mr. KNOLLENBERG. I am asking a question. No prescription here.

Mr. FERSH. Okay. What you are perhaps——

Mr. KNOLLENBERG. I am asking the question, who can do it better. There is no prohibition on analysis or investigation. I assume that would be the case with all of you. You are not arguing that we should prohibit any kind of investigation of what works or doesn't work about the Federal programs.

So I have no prescription at this point. So the floor is open for you to comment.

Mr. FERSH. I understand your comment, and I agree. I think what you have prompted is a very healthy heavy examination that all of us want to be part of. It is.

President Nixon who more than anybody claimed this as a Federal responsibility in 1969. There were problems throughout the country. There were people going hungry. There was gross malnourishment in some areas. There was insufficient health status of people entering our armed forces. And there was a tremendously mixed response within the States.

Even today, there are some States that, aside from food stamps, provide welfare benefits for a family of three of $120 a month to cover every need they have. For some people there is a sense that maybe there has been some irregular performance. It doesn't mean that some governors couldn't do a better job than the Federal Government. But I think the point you heard is the one that is overwhelming.

This system is not broken. There are some further improvements and further freedoms to be given the State and local administrators. But I think fundamentally what we are saying is that in order to respond to recessions, if a State has a recession, right now there is some protection, it is like a pooled insurance risk. The country responds. More kids need school lunch in your State, if there is a recession, you will get the help you need, and when the recession passes, then the needs will go down. The same is true for the food stamp program.

It is a national problem. And we certainly think there needs to be a huge investment, not in terms of detail, but an investment of the country in the entire nutritional status of all Americans.

Mr. KNOLLENBERG. Anybody else?

Mr. TEMPLE-WEST. I would like to say that I think it is cheaper for the Federal Government to do it.

Mr. KNOLLENBERG. Cheaper? Why?

Mr. TEMPLE-WEST. Because if each State has to set up its own USDA, its own bureaucracy to exercise these programs, that is 52 times the cost of——

Mr. KNOLLENBERG. Wait a minute. That is their own idea. Why can't they do it on a local basis without—is it 1/52 of the entirety of what is being spent now?

I don't necessarily disagree with what you are saying, but am posing the question, why do you have to have it factored 52 times? That is what the governors are crying for. They want some flexibility. Maybe this is one of those things.

Mr. TEMPLE-WEST. I would totally agree with you they should have flexibility. I mean—but I am not sure that the creation of rules and the administration of the programs—they are going to have to set up audit standards. They are going to have to duplicate what now is. If they keep the programs and the law says they will keep the programs, then they are going to have to—I am going to be regulated by somebody. Somebody—Governor Ridge is going to have to send somebody to me to see that I am doing it right. And that is going to cost money.

Right now all of those rules and regulations—we just received another 13 pages, 14 pages of rules and regulations, by the way.

Mr. KNOLLENBERG. Maybe you will only need one or two if it was administered by the State.

Mr. TEMPLE-WEST. Well, I doubt that. I mean, I doubt—nobody is going to give me money without telling me what to do with it. No government.

Mr. KNOLLENBERG. Not the Federal and not the State.

Mr. TEMPLE-WEST. Not the State. No.

Mr. KNOLLENBERG. I appreciate your comments. Thank you very much.

Thank you, Mr. Chairman.

Chairman GOODLING. Mr. Owens.

Mr. OWENS. Mr. Chairman, I have a question, but I would like to begin with an editorial response to the comments made by my good friend, Mr. Cunningham, who has now left, but I would like for it to be on the record.

These programs will not be only improved by passing them down to the State and local level. Some of the most secretive, mean-spirited, corrupt and incompetent government in the world exists at the State and local level of the United States. It is just sloganizing.

Mr. Cunningham linked this program with Communism. I didn't quite get the linkage. But this is not Communism. It is common sense. It is common sense to feed people. Food is the least expensive way to keep people healthy.

I think you are to be congratulated for doing something very basic. Yes, there is some fraud and mismanagement, because in many programs administered by human beings, there is going to be some fraud and mismanagement and eternal vigilance necessary.

But the greatest fraud is, I assure you, not these kinds of programs, it is people always auditing and reexamining and analyzing in areas like the savings and loan swindle, which was the greatest swindle in the history of civilization. And we have not audited them, we have not really closed that chapter out. They have gotten

away with most of those hundreds of billions of dollars that they got away with. If we could recapture some of the money swindled away from taxpayers there, we would have a lot of money to feed kids.

My question, however, is one that might have been asked before, because I think it is very basic. I came into the room late, but let me ask again. In the block grant process, which is a Pontius Pilate process, the Federal Government washes their hands and passes it down to the States, usually they will get less money than they have before. If they don't get cut right away, they get cut later on.

When that happens, and the block grant is there, and in November or December you find that there has been an increase in the number of people who are hungry, and you have run out of money in November or December, can you turn to a private sector pool? Do you have private funds?

Is this an area where points of light are operating effectively?

Billionaires will give money to museums and to operas and so forth. Some billionaires, thank God, will give money to public schools. But I don't know of any examples of giving money to take care of feeding people.

Is there any private sector you can turn to or do any of you know of the charitable institutions that are really heavily involved in this area?

Mr. TEMPLE-WEST. My office also provides food that we get—food with resources that we get from the private sector. Your question is a very good one.

Mr. OWENS. Can it fill the gap that might result?

Mr. TEMPLE-WEST. No, and I want to give you the example why. In Philadelphia, let's just take that, about $200 million a year comes in in food stamps, into the city of Philadelphia. In the entire charitable contributions for food to the food bank, food to soup kitchens, all charitable contributions for food probably do not amount to more than $20 million, total.

If food stamps were cut 10 percent, that is $20 million. There is just no way, no way that the charitable sector could double what it is doing now. Maybe 10 percent more, but just no way. It just couldn't happen.

Mr. FERSH. Mr. Owens, if I might interject, on December 20 of last year, there was a press conference held by Second Harvest, the National Network of Food Banks, Salvation Army, which normally does not speak out on public policy issues, Catholic Charities and a series of other charitable organizations in which they simply said they had deep concerns about either the deep cutbacks or the block grants. Most describe themselves as being pushed to the limit already to deal with the problems they have.

And then the president of Catholic Charities said something I thought was very on point. He said, Ten years ago two-thirds of our money went to job counseling, pregnancy prevention, whatever—the counseling and empowerment kinds of services they provided to help people move their lives forward. He said, Now two-thirds of our money goes to feed and clothe and shelter people. And we are no longer in the business of getting people out of poverty.

Mr. OWENS. Thank you.

Chairman GOODLING. For those of us who have not had a big-city experience, we have fonder thoughts and memories of local government. I just thought I would throw that in.

Mr. Fawell.

Mr. FAWELL. Thank you, Mr. Chairman.

I am sorry I was not present when all of you did give your testimony, and so I have a problem in that regard, but I have read some of your statements, and Joan Taylor, of course, is a constituent of mine coming from the 13th congressional district in Illinois. I know her very well and the deep interest she has always had in the Older Americans Act and the various programs. And we have gone through some battles in regard to the Older Americans Act.

And I can well understand the concern, Ms. Taylor, which you express in regard to whether or not the nutrition programs under the Older Americans Act would be treated as a welfare program.

I frankly would be concerned about that, too. But I guess unless someone has been relatively close to what goes on there, you won't perhaps fully understand why the program has always functioned in that way.

I suppose the problems that all of you face and all of us face in Congress too is the fact that we are talking about some monumental change. And whenever we talk about monumental change, there has to be monumental fear that goes along with that, because, well, what is going to happen to our program?

We may not actually be in love with the way that the area agencies are governed, for instance, under the Older Americans Act from Washington. But on the other hand, at least we know all the faults of the program and its detriments, et cetera, and we are comfortable with that, and we will be uncomfortable when we go through a transition and we fear it may not end up with the States and/or the local governments much more involved here, having as much as what we have right now.

On the other hand, I can recall being vitally concerned, for instance, in regard to the distribution of funds under the Older Americans Act, and I know, Joan, can you remember how we fought with the Illinois legislature and we finally got a distribution formula that was much fairer to the senior citizens, especially the mass movement that had gone out of Chicago into the suburban area, a much fairer account for minorities, et cetera.

But although we won the battle there, we lost the battle for several more years trying to convince Washington that they had a very unfair—to minorities and to seniors—mode of distribution.

And I know that in your testimony, Ms. Taylor, you adequately pointed out streamlining that could take place in reference to how the Older Americans Act is now handled via from the Washington office.

And so I would like to just refer you to that and ask, do you think that you might have better chances of getting your streamlining through, not held up, as you know we have been before, about not able to even ask for contributions under existing regulation? Isn't it possible that, assuming we can get over treating people under the Older Americans Act as—and on welfare, that we could have the streamlining that you are talking about, more possible, if

it is State and/or local government regulations rather than Washington regulations?

It is a terribly long question, more of a statement than a question. But if you could handle that, I would appreciate it.

Ms. TAYLOR. First of all, I want to say that I agree with Mr. Fersh here when he said that we want to work with you as you struggle with the bigger issue. And I feel honored to be here, at your invitation.

At the same time there are other people that have more of a sense than I do of the big policy issues. I am down at the local level dealing with the day-to-day problems. Having disqualified me, though, I do have myself already, but I do have some ideas about what you are saying.

As I listen to the people here talking about the school lunch programs and the other food programs, I just again feel that the Older Americans Act as it has worked and is working now and has worked for many years, is a very efficient system.

We don't have to deal with tons and tons of paperwork. There is still always we are going to feel that there is too much. And I do think there is some—I talked with my area agency director, and he said, for example, if there were fewer titles under the Older Americans Act, several titles have been added that are very small amounts of money but require a lot of administration to do, that that was one way that he feels that there could be less administrative costs at his level.

But overall, I just have the feeling we are in such a good position now, and we don't know what it would be. One of our fears is that in Illinois, as you know, Medicaid payments are about six months behind, and many nursing homes and hospitals have closed. Our agency doesn't have that amount of money in reserve. We couldn't operate for six months.

And one last thought: You mentioned about the donation, the client contribution. That is an area that I feel, again, that people should examine and look at as to how we could increase that and how we could expect people who have money to pay more.

Right now, as you know, it is a confidential donation and we are not even allowed to say to people, We expect to you pay if you can afford to pay. But many of them do, but it would be good to look at those things.

Thank you.

Mr. FAWELL. Thank you.

Chairman GOODLING. Mr. Fawell learned from Mr. Lantos on the Foreign Affairs Committee. He used the five minutes to lecture and then I don't have the courage to say, You can't respond.

Mr. FAWELL. I was never on the Foreign Affairs Committee. I learned all by myself.

Chairman GOODLING. Since you are his witness, we allowed a little leeway there.

Mr. Payne.

Mr. Engel, I am sorry.

Mr. ENGEL. Thank you, Mr. Chairman.

We share membership on the same two committees, this committee and Foreign Affairs, so I think we have learned how these tricks work.

I want to, like Mr. Owens, my colleague, clear the air from Mr. Cunningham's remarks and state for the record that I am not an admirer of Karl Marx but I am an admirer of nutrition programs for both senior citizens and younger people.

What disturbs me in this rush, this trend to look upon block grants as a panacea, I served for 12 years in the New York State legislature before coming to Congress. This is now my seventh year in Congress. And I remember in the 1980s, we heard about block grants, and we were all very happy and hopeful because we felt at least the States would be able to make our own decision.

Block grants, to my way of thinking, only work when you fund them at 100 percent. If you are going to fund them at less than that, 75 percent, 70 percent, our States or municipalities are going to be deciding frankly where the pain is going to be spread and what programs are going to be cut. So I don't look upon block grants as a panacea.

Coming from New York, which is a high-cost-of-living State, I worry about means testing and I worry about all these other things, because it costs quite a good deal to exist in a region like the New York City metropolitan region than it does at some rural area in middle America.

When I look at the Personal Responsibility Act—and by the way, this attitude about how we are going to have personal responsibility or individual responsibility, one of my colleagues mentioned we have to get away from entitlements, but more towards personal individual responsibility. Well, I agree that individual and personal responsibility are important, but quite frankly, there are a heck of a lot of people in this country who were born into pretty rotten conditions and they are personally responsible, but I think circumstances make it impossible for them to try to help themselves by themselves. And they do need the help of government, and they do need the help of people who are under better circumstances than them.

It certainly makes a hell of a much better sense to me to have a national program. We are, after all, one country, than it is to say, Well, the States can kind of set up their own programs and we will see a return of forum shopping, people jumping around and around. Years ago people used to come to New York City to collect welfare because New York City had the most generous welfare payments in the country. And part of the reason it did was because New York was a high-cost-of-living State.

So I think it is easy to get into cliches here and sloganeering, but the question is, what is going to be the impact of this? When I look at my home county, Bronx County in New York City, one of the poorest counties, frankly, in the entire country, and I see that 62 percent, it is projected, of seniors will no longer be able to attend their centers because of means testing under the Personal Responsibility Act, it frightens me.

When I see that over 120,000 individuals age 60 or over in New York City, which is 9.4 percent of the city's elderly, are legal, legal—not illegal—legal resident aliens who would be cut off from health, that frightens me, because we still have to service those people.

When I see that this Personal Responsibility Act will mean a 12 percent reduction in funding for meal programs for seniors, that frightens me. Frail seniors in my home county unable to receive home-delivered meals because of means testing, 66 percent would lose it, and senior centers at risk of closing in my home county, 46 percent because of this new so-called Personal Responsibility Act, frightens the hell out of me.

So I would just like to make that as a comment, and I would like anyone that cares to comment on my comments to please say a few words.

Ms. TAYLOR. Well, I share with you your great concern. The other thing is that administratively, if those people are not served, the senior center is likely going to close down because they can't afford it. And again, the people go into nursing homes sooner, they go into hospitals more often. One of the main reasons that older people go into hospitals is malnutrition or dehydration.

And I do want to emphasize that senior meals are much more than food. They are socialization. They are a substitute. Many, most of the older people we work with are over 75, a lot of them are over 85. They have lost their spouse, many of them have lost children, many of them are alone, and the only person they can give as an emergency is their doctor or their landlord. We are amazed at the number of people that are alone.

Our volunteer goes in and socializes with that senior, talks with them at lunchtime, checks up on them, because if they don't answer the door, we go into an emergency mode to find out why.

Chairman GOODLING. The administration on aging went pretty wild with their interpretation of what the Personal Responsibility Act does or doesn't do. But I guess each organization will do that, protect their flanks or whatever.

Governor Castle.

Mr. CASTLE. Thank you very much, Mr. Chairman.

I had to give a speech on international monetary policy today for another subcommittee, a propitious day to do it. So I did miss your statements. I do apologize for that.

I did not hear all the questions, but I was here for Mr. Cunningham's discussion, which seems to have provoked every round of discussion since then. I would just like to share my thoughts with you, because you have probably answered every question possible.

For better or for worse, we are clearly entering into a new age, and while you are here to some degree responding to H.R. 4, which deals with the nutrition programs, among other things, particularly the block granting concepts, potential cuts that come from all of that, this discussion will not end there.

Obviously things have to happen in the House, they have to happen in the Senate, they have to happen in the White House. But bigger things are happening too. The governors were in town. There is a discussion of federalism, shifting resources back to the States and States managing things and them shifting down to the local governments, throughout agencies, be they schools for children or senior citizens or whatever it may be.

And I understand your concerns. I frankly am one, having had some responsibility in this area, I am very supportive of nutrition

programs almost across the board because I do believe they provide help where help is needed. I do not think, by the way, there is a lot of fraud or even a tremendous amount of waste in these programs. I don't come at this from that point of view.

On the other hand, I don't know of a single large national program, generally Federal in its subsidies, that goes back to the States and then out to local governments or out to local agencies that doesn't have room for improvement. And probably in that improvement, in all fairness, savings of cost. And that should be one of the purposes in improving it. I don't think defending the status quo is the answer.

I am not one who is for necessarily cutting completely all the arts and public broadcasting, whatever. On the other hand, it is ridiculous to say we shouldn't have any cuts at all. I ride Amtrak back to Delaware every night that I can, but I am aware that Amtrak needs some tightening up as well.

I understand your purpose in the testimony, and that is to show that some broad-based block granting could be detrimental or whatever. And there are some exceptions to this. But for the most part, you are not explaining alternatives to us in terms of how we can handle some reductions in costs and efficiencies or whatever it may be.

I am not necessarily asking you to answer what would be your reasoning for that. But I would just hope in your lobbying as we get our calls from our senior citizens—and we get them. That there would be some planning that is going on at the tables about how we can make these programs more efficient.

Frankly, we need to reduce some costs and we need to make it more efficient. That is what the Republicans are trying to do with the block grants. Nobody is trying to take food out of the mouths of anybody who would need it. I don't think anyone is approaching it from that point of view at all. But everybody feels we can tighten that up.

I think, as in all of these programs, we can tighten up from the bottom up. Should we have more means testing, should we perhaps be serving fewer people, or are there people who could pay more?

Let's face it, a lot of people unwilling to pay another dime for lunch or breakfast for their child, whatever it may be, are spending money extraneously.

So I hope we can reach a meeting point that wouldn't end up being a fight between people. I didn't really intend to leave time, but if you want to take 20 seconds to say something, fine. If not, I yield back the balance of my time.

Ms. TAYLOR. I think we all welcome being in on the process of looking at ways of being cost effective and more efficient. We all want to be part of that process. It takes time.

Mr. CASTLE. And this hearing probably doesn't lend itself to that. I understand that is why you are here. But I hope you understand, that is the goal.

I get the idea everyone wants to show who is most mean-spirited. That is not what this is about. We want to make government more efficient and less expensive but still provide essential services.

I do yield back, Mr. Chairman.

Chairman GOODLING. Mr. Payne.

Mr. PAYNE. Thank you, Mr. Chairman.

I too apologize for being unable to hear the testimony. Under the new rules that were put in, it makes it very difficult for us because we have to be in two places at the same time.

But I wanted to also have, if the Chairman will allow, the record be left open. I would like to put into the record a correction that I indicated last time when Representative Cunningham was here. Representative Cunningham indicated that 30 percent of New Jersey welfare recipients were getting welfare from New York and New Jersey. And at the time I asked if I could correct it for the record, and it was 1.5 percent. And I wanted to add that to the record so that it is clarified.

Chairman GOODLING. Without objection.

Mr. PAYNE. One of the things that is very alarming and disturbing to me is that a lot of misinformation goes out. Misinformation really flies wild.

When you throw out 30 percent of New Jersey's welfare recipients are collecting welfare in New York, of course that tends to move that code word. There are a lot of code words going on, and certain words mean certain things. Then when you fabricate or maybe are just misinformed, you then really conjure up even more mean-spiritedness in people who say, Look at that, how about that, what I was thinking all along was right.

So things like that disturb me a great deal. And it is very difficult to straighten up, clean up the record once it has been messed up. But I do intend to have that into the record so that the facts will be clear.

I just—my time has almost run out, but the whole question of children's programs and seniors' programs that now will be thrown into one particular type of a grant, and as you mentioned, there is a lot of other kinds of activities that go on, like the WIC program is more than feeding, but it deals with health screening and other things, senior nutrition program brings people together and they can talk and chat and so forth.

With the fact that all of this will be put into one grant, what do you think will happen in the case of a recession when the States are simply given the block grants and the need, of course, increases in time of a recession? Could any of you respond to what you will be doing in your local areas?

Ms. HURT. I think that is one of our greatest concerns, is that we will be unable to respond to that. If we have X number of dollars come into our district and then a plant closes or there is a union strike or some other kind of thing that puts families in need of the program that we offer.

Mr. TEMPLE-WEST. It will depend on the State. If the State has a balanced budget requirement, they are not going to be able to change their budget. They are not going to be able to get any more money. It will really depend State by State. States that have surplus maybe want to use them. States that don't, won't. I think it will be on a State-by-State basis.

Mr. PAYNE. Do you know of any States that have surpluses?

Mr. TEMPLE-WEST. Pennsylvania.

Mr. PAYNE. Really? That is good.

Mr. LUKEFAHR. As a physician in Texas I can tell you there are several health programs in Texas that actually happens is they run out of money in about the ninth month and just shut down. It is extremely disconcerting to not just my patients but also to myself to suddenly one day not be able to provide a piece of medical equipment for someone, as a for instance.

And I just would be—when you get into something as basic as food, to only be able to provide something nine or 10 months out of the year would also be a major problem.

Mr. PAYNE. Thank you very much.

Chairman GOODLING. The 30 percent figure is probably, some of that, misinformation that is being circulated all over the country also.

Well, I want to compliment you for your testimony, because you could have come and just indicated that there is no room for changes and nothing should ever change. You know and I know that change is inevitable, it is something we all fear, but it is going to happen.

So when Mr. Fersh gets to pages 8 and 9, I may not have read too much before pages 8 and 9, but when he gets to pages 8 and 9, that is very, very important to us.

As I told the committee when we had our hearing on welfare reform, that if my side of the aisle believes there is some quick fix, some easy answer, we are not going to accomplish anything. And if the other side of the aisle believes that everything is working beautiful out there and therefore we don't need any changes, nothing is going to happen either. And the same program will continue to operate.

We do have a big responsibility. And I thank you for the suggestions you made, Mr. Boehlje, and Mr. Temple-West had suggestions in relationship to regulations. Ms. Hurt and all of you had recommendations, and that is important to us as we try to write something that will be the best for all concerned, including future generations, taxpayers, and everybody. I appreciate the fact that you understand that isn't easy to do.

I would not promote the stigma issue, I think, if I were on that side of the table, simply because I think it is adults who create stigmas, not children. When we were allowed—and I was a high school principal—to have youngsters work in the cafeteria, they worked with great pride. The other children admired the fact, as a matter of fact, that they were working. Being the last of six children in a family during the Depression, the farm was the only thing that saved us, but when dark came, then I also worked at a service station, and I was proud to do that. I was proud to do it in college in order to get through college.

So I don't think—I think we create the stigmas, and maybe in doing that, take away instilling pride and self-respect and so on. I am not going to give you the same lecture that Dr. Weldon gave you, but I think there is something to be said for that.

We are well aware of the competition. Those of us who do not serve on the Appropriations Committee, and those of us who are lobbyists out there understand what competition is all about, because we have to find the good friends that we have on the Appropriations Committee and compete with anyone else who is trying

to get the Appropriations Committee to hear what they have to say. So we are well aware of the competition angle.

As I said in the beginning, I want you to be sure that you understand that whatever we do, if I am a part of it, there really has to be some very tight indications to whomever receives the block grant, what it is we expect from the money that is being spent. And I expect to be very zealous in checking to see whether you are delivering what it is we expect. And as I indicated, the Speaker has also picked that up and indicated to all Chairmen that that is the way it should go.

I also want you to know that we do have leeway. There is a 100-day effort out there. But we do have leeway, as the leadership has indicated, to come to them with better ideas than they have and take the concept and make it work. That is why we serve on the authorizing committee.

I am always reminding the Budget Committee and the Appropriations Committee that we know the programs, they don't. And therefore they should have enough sense to listen to what it is we have to say, because if they don't, they may get into some real difficulty down the road.

And I think they understand that.

Mr. Kildee.

Mr. KILDEE. Just to thank you, Mr. Chairman, for having these hearings.

I think we had a very excellent panel here today. We all know change comes but change should be to improve a program. I would work with these people to try to improve programs rather than to serve fewer people who are in need.

But I really appreciate the fact that you are having these hearings, Mr. Chairman. I used to sit in that chair myself and I know the responsibilities you have, not as Chairman of the full committee, but a subcommittee. I know the tremendous, awesome responsibility that you have, and that you take that very seriously.

Chairman GOODLING. Which has grown dramatically since November 8.

Mr. Fawell.

Mr. FAWELL. I have no further questions.

Chairman GOODLING. Again, I thank you very much for your testimony. Oh, excuse me. Mr. Hutchinson has requested that the testimony of Phil Peters, Executive Director, Area Agency on Aging in northwest Arkansas be submitted into the record. Without objection, the testimony will be made part of the hearing record.

I might say that the Area Agency on Aging in my district, all of them, are very outstanding contributors to the betterment of life in our particular area.

[The information follows:]

Phil Peters
Executive Director
Area Agency on Aging of Northwest Arkansas

Several million older Americans are going hungry today. In this country. With all of our best efforts. This is not all a matter of income, although lower income elders are more likely to be malnourished or hungry. Older people may be malnourished for a variety of other reasons including health, isolation, depression, dementia, and lack of transportation. Malnourishment leads to a much greater risk of health problems, and a malnourished elder becomes an easy target for such dread diseases and conditions as dementia, diabetes, heart disease, cancer, osteoporosis, and falling injuries.

The focus of the Older American's Act programs, particularly the nutritional programs scheduled for elimination by the Personal Responsibility Act, is to prevent older people from becoming more dependent on others, from having their health deteriorate, from having to enter an institution such as a hospital or nursing home by providing the little bit of assistance necessary to help them stay in their own homes with as much independence and dignity possible. These nutrition programs are the only programs with this charter, and they have been woefully underfunded while the aging population, especially the 85+ population, has virtually exploded. This doesn't make economic sense to underfund nutritional services for this most fragile segment of our population when it only leads to greater human and economic costs to society. For the cost of one day in a hospital, a nutritious meal can be provided to an 87 year old widow every day for a year. For the lack of that necessary nutrition, she may be prematurely institutionalized at the cost to Medicaid of over $20,000 a year.

One in four persons over the age of 65 in this country are malnourished. 9% of the persons over 65 are hungry. They eat one meal a day or less. They do without food to buy medicine or pay electricity bills. They have nowhere to turn. Congress is now proposing to turn them over to the states. The buck does not stop here in Washington with this problem. It goes to the states. With reduced levels of funding and no requirement that states spend a single cent of the proposed nutrition block grant on elderly nutrition. This is a heartless act.

Let me quote one of your members, Rep. Charles Schumer of New York, "Let's remember the reason we are reforming welfare. We are hoping to change the habits of people on public assistance and to encourage work. What do we accomplish by cutting food aid to shut-in seniors? What habits

are we trying to change? As you can see, food to the elderly does not belong in welfare reform."

Please eliminate the Older Americans's Act nutrition programs from the Personal Responsibility Act's nutrition block grant program.

Thank you for the opportunity to present this testimony.

I have included two attachments:

1) A statement from Nanny Johnson, a meal service provider in Rogers, Arkansas.

2) A Wall Street Journal article on the growing nutritional crisis facing the elderly.

OFFICE OF HUMAN CONCERN, Rogers, Arkansas
AGING SERVICES PROGRAM
1995
PROGRAM INFORMATION TO BE RELAYED TO CONGRESS

Presently, our Senior Nutrition Program, as currently implemented under Title III of the Older Americans Act, in 1994 provided over 73,061 congregate meals, and 93,426 home delivered meals to older people at our 5 Multi-Purpose Senior Activity Centers located in our service area of Benton, Carroll and Madison Counties. Not only are Nutrition Programs the most visible services and considered by many as the centerpiece of the Older Americans Act, but also our Congregate Nutrition Sites are access points for many of the other services such as transportation and socialization which are funded through this Act. In addition to the 166,427 meals being served, we also provided 70,894 socialization units and 34,087 transportation units of services to older people at our congregate sites. Over 2,000 participants have received these services last year.

Our Senior Nutrition Program is a fundamental part of a comprehensive service system aimed at keeping older people at home, supporting family caregivers, and avoiding unnecessary and costly institutionalization. Our Nutrition Program needs to be supported and expanded and may well be among our most wisely spent public dollars. Our Senior Nutrition Program is a time-tested, successful example of a low cost, locally managed program. Our Senior Program, which has been long-established in our community, is supported through a vast network of volunteers of all ages and in-kind support from the private sector. Our programs are cost effective. We can provide meals for an entire year to a homebound senior for the cost of one day's stay in the hospital!!!

We have worked hard for a very long time to provide the needed services with what we have seen as only marginal support from Congress. For example, our program received $247,435 in Older Americans Act Funds in 1994. We will be receiving $248,688 in 1995. This is an increase $1,253 for an 11 year period, yet we are serving 40% more meals and other supportive services. This has been accomplished through United Ways, churches, quorum courts (Benton & Carroll Counties), and participant donations. In addition to hunting for local support, we have helped to pursue, through the Arkansas legislature, every possible funding source, one of which was the passage of the Cigarette Tax and the keeping of the Soda Pop Tax. This has all been accomplished at the "Grass Roots" level.

Our current program is not means-tested, but traditionally has served those with greatest economic need. It maintains the dignity of the nutritionally at-risk older persons by providing mechanisms for participants to contribute according to their ability to pay. Means testing the senior nutrition programs will be most difficult to administer at our nutrition sites, will give the program a welfare stigma, and most certainly will affect participation, volunteer support, and local community funding support.

The goal of streamlining programs should be to increase their responsiveness to consumers. Our present Senior Nutrition Program is consumer-focused and has broad community support due to its flexibility and its role as point of contact and link to the broader aging service system. Separating the Senior Nutrition Program from other aging service programs will make it harder for our communities to respond to older people who have complex and multiple needs. The present program is in place and does what it is supposed to do. It is stable and is a program that shows a healthy partnership between the public and private sectors.

It is extremely important that Congress understand the negative implications of both removing nutrition programs from the Older Americans Act as well as block-granting this service with other food programs to the State. The proposed block-grant bill offers school lunch and WIC a funding floor protection but not the Senior Nutrition Program. Besides the overall amount in funding being reduced to the States, we would be competing with the WIC Program, Food Stamp Program, School Lunch Program, etc.

The Nutrition Programs at our Local level and National level must remain as part of the Older Americans Act! It is not a welfare program and should not be included in welfare reform proposals. Please exclude the Senior Nutrition Programs from the "Personal Responsibility Act".

Respectfully Submitted By Nancy Johnson, Director of Aging Services

THE WALL STREET JOURNAL.

TUESDAY, NOVEMBER 4, 1986

Frayed Lifeline

Hunger Among Elderly Surges; Meal Programs Just Can't Keep Up

Waiting Lists Are Growing As Demographics Shift And Attention Wanes

Fighting 'Anorexia of Aging'

By Marcus J. McCarroll
Staff Reporter of The Wall Street Journal

DETROIT — For four months, John Fisher has worked to outfeed Bessie, a 1,200-pound cow owned by Dennis Hoskins, a dairy farmer. Mr. Fisher, a retired truck driver, has been on a waiting list, along with 1,400 other elderly Detroit residents, for free hot meals delivered to their homes. Mr. Fisher, who suffers from diabetes and glaucoma, lives alone and is unable to drive. He used to "help Mary's Pantry [food bank] and help the elderly out before the [$3.35 an hour] job," he said, and prefers the "it's a good thing, since he says, "It's a hell, provided meals to the needy.

Carlos Quattlebaum, 77, applied for the meals in February, telling the agency he was "flat on my back." He said, "I have been out of the hospital for a month, and I need the meals every day. Thank you, I will appreciate it." He died in September, before the new service got to the waiting list. Even his landlord, who sometimes cooked for him, wasn't told, the landlord says.

Growing Problem

Many days, two decades after the creation of a federal hot-meal program, there seems to surface over the [illegible] million elderly Americans are going hungry — and their numbers are growing steadily. Federal food programs aren't linked to what the nation's wealthy private [illegible] "For the first time, we have groups waiting lists," says Fernando Torres-Gil, assistant secretary for aging at the U.S. Department of Health and Human Services. "The level of need is there, and it's bigger than ever."

This wasn't always the case. In the 1970s, public awareness of the elderly's poverty [illegible] and Congress [illegible] to help [illegible] Federal [illegible] to which local [illegible] provided [illegible] Demand [illegible] by the early 1980s, [illegible] 2 million [illegible] [illegible] 1.2 million received [illegible] meals of similar [illegible]

But interest in the issue has slipped over the past decade as the number of elderly poor [illegible] the expanding middle of affluent retirees. A shifting mood [illegible] and more pragmatic [illegible] made other [illegible] As a result, elderly [illegible] by Senator Pete Wilson [illegible] reform, and proposals [illegible] [illegible] [illegible] [illegible] [illegible]

Continued Below

Continued From Page 1

The Urban Institute, studying the economics of aging, has labeled problems [illegible] a result of the elderly's poor right of elderly hunger. The institute, in private, non-profit research [illegible] Washington, D.C., reported earlier this month that an estimate of 1.3 million elderly people, about 10% of the [illegible] aged 65 and older — are [illegible] hungry or undernourished to severe degrees. [illegible] Reasons they are poor or [illegible] sharp or [illegible] Further, it found that at least [illegible] elderly people aren't being reached by federal food-assistance programs, [illegible] food stamps. The [illegible] [illegible] [illegible] [illegible]

A4 THE WALL STREET JOURNAL, TUESDAY, NOVEMBER 8, 1977

Frayed Lifeline: Meal Programs Are Stretched Thin Feeding Aged

Continued From First Page

...Detroit was able to deliver holiday meals to 1,600 elderly shut-ins.

Unable to feel that least daily, Paul Bridgewater, Detroit's aging-department director, says, "We're nowhere near meeting demand."

The meals programs in Detroit, like those in other cities, are funded substantially by federal funds, which 1965 splits up among the states based on the relative size of each population 60 or older. Each state then subdivides the pot according to its needs, with preference given to the poor.

Each local aging agency can determine how it can best stretch its money. Some properly meals to-bound, some pay a driver; a few hire drivers, although most use volunteers. Some hire and make elaborate use social workers who can screen and assess the needs of elder people. Some deliver two meals a day, many only one.

The Detroit aging agency, for example, contracts out meal preparation and delivery exclusively on 350 volunteers, who use their own cars for deliveries. Most daily meals to 36 people on weekdays, driving 36 miles a day on average.

In Michigan, federal funds for meal programs, $13.6 million last year, are down 9% from 1976 levels. During the same period, with the aid of special allowances, state funding increased 19%. The net result for Detroit is that it currently has an elderly-nutrition budget of $2.7 million—17% less than in 1967. Each item, Detroit served 6,000 elder people. Today it can feed only 4,000 a day, primarily because of the higher cost of food.

In New York state, 1,000 elder people are on waiting lists for home-delivered meals. About 50,000 people are on the program, but state surveys suggest as many as 10,000 more actually need them. Says Ed Kreiter, an aging-agency state official for the state: "There are a lot of hidden elderly, particularly in urban areas and high rises, who are literally starving to death.

The mismatch of funds and need comes amid reinforcing research on growing old. Conditions once considered the inevitable ravages of aging — from dementia to mental lethargy to slow-healing wounds — may really stem from poor diets, deficits of vitamins and other nutrients, researchers say.

Geriatric specialists recently added the term "anorexia of aging." It isn't the anorexia nervosa, in which people develop an aversion to food or an obsession with weight. The poor appetite and reduced food intake of the elderly is a range of causes: depression, dementia, dentures problems, and eating alone. Poverty is often a factor, but one national survey found that more than one in five elder Americans, regardless of income, may rarely skips at least one meal a day. And poor nutrition raises the risk of a fall, which is far more a problem to early skeletal cells.

That shortening an habit of nutrition could be a problem in a country of vast resources illustrates how older Americans, their families and government agencies have been caught unprepared by the combination of increased life expectancy and healthy. Some advocates of the elderly say long term solutions will have to be more creative, perhaps offering tax breaks as more family members can buy and prepare meals for older relatives.

But for now the main weapon against hunger remains the federal nutrition program. Passed under the Older Americans Act, passed in 1965 when Lyndon Johnson was president, the congregate-dining and home-delivery projects allow anyone over age 60 to apply for free meals, regardless of income. Many of those who use the programs donate something, but many don't. Half of the participants ordinarily are poor.

Because the elderly nutrition program is not an entitlement — as opposed to, say, Aid to Dependent Children — Congress has discretion in spending whatever funds it decides will meet the need. "This is one of the places Congress can put those funding levels they can't get for entitlement programs," says Jean L. Lloyd, nutrition officer at the HEW's administration on aging.

Last year saw a small funding increase for the meal projects, but Congress in September left the budget for the current fiscal year, ...

Among the 11 million people who receive meals in congregate dining rooms or through home delivery are only one meal per day, the government funding works out to about 50 cents a day per person. Overhead is HEW Commissioner Robert Ottenberg Office report on the elderly poor: "Funding for nutrition services cannot possibly provide comprehensive food assistance to the entire elderly population."

For many years, the needy people could receive surplus commodities such as flour. Claude Pepper, the legislative champion of the elderly who died in 1988, tried to...

The National Association of Meal Programs, an Alexandria, Va., trade group composed of providers of congregate and home-delivered meals, lobbies for increased funding, but says it has not been very successful either. Stating that the group's constituents are often frail or confused, Margaret Hamburg, legislative representative, says, "It's just like I have the political deaf."

The result is that the meals projects, much like the elderly they serve, have been severely strained. In Chicago, the city had to pay $750,000 to supplement its...

Sometimes the people reached by the overwhelmed meal programs still need help hunger. The Friendly Neighborhood Dining Center, a congregate dining room in Salt Lake City, serves only one meal a day. Among the diners who file in for the weekday lunch are the elderly duo named some call the "odd ladies." Devoid of finding names arrived a big bingo board. She refuses sometimes destroys any lunch partners into their purses. "They're trying

BEST COPY AVAILABLE

BEST COPY AVAILABLE

Chairman GOODLING. When you gave me that I forgot the other thing I wanted to say. Well, I will write you all a note when I think of what it is. When my kids say to me that—kids, they are still at home but they are 31 and 35, I think. Life has been pretty good at home. But when they say to me, that old fellow or that old lady said something, and I say, you mean about 65 or 66, or something of that nature, then they get the message.

Again, thank you, and we will count on you—oh, I know what the other thing was that I wanted to say. We got criticism from our side because we had all liberals sitting out at the table. It wasn't that we didn't expect to have a governor or two, but their schedules didn't permit it at this particular time.

I will say that—I will change that to all of those who are very much interested in nutrition issues in the country, including old Jim who used to sit on the other side of the table and then he became a part of the governors administration.

So thank you again for coming to testify.

[Whereupon, at 12:20 p.m., the committee was adjourned.]

[Additional material submitted for the record follows.]

STATEMENT OF HON. WILLIAM (BILL) CLAY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MISSOURI

Thank you, Mr. Chairman. Few things are more important to achieving economic and social equity in this country than proper nutrition.

Hunger and poor nutrition hurt everybody. They rob children of proper physical development and the ability to learn. They cause health problems for children and increase education and health care costs for Federal, State and local governments. Hunger also robs many of our senior citizens of both their health and their hopes for active twilight years.

An estimated five million children under age 12 go hungry each month and millions more are at risk of hunger.

Just as hungry children will not reach their fullest potential, a nation with millions of hungry and undernourished children will neither live up to its ideals nor ever reach its potential. Children who cannot concentrate in school are less likely to become fully productive adults. Our citizens will be less prosperous and will enjoy less social and economic equality. Our economy will be less competitive in the world marketplace.

Ending child hunger is perhaps the best investment we can make in our youth. Properly nourished children immediately become better students—they pay better attention; they're more motivated; they're more ready to learn. In the long run, higher levels of academic achievement—year after year—mean more productive, more employable and more prosperous citizens.

This committee should continue to play a leadership role in eliminating hunger and undernourishment among children in our public schools. That should be a priority.

Hunger and poor nutrition is not solely a problem of the young. Adult malnutrition is also a serious national problem.

Congress established the congregate and home-delivered nutrition services programs under the Older Americans Act to combat adult hunger. These programs are an integral part of the wide array of services within the home- and community-based care system for economically disadvantaged older people. These programs are the glue that binds the Older Americans Act network and home- and community-based services together. Among other things, they facilitate essential linkages to services, such as transportation and home health aids, and provide the program base to serve other at-risk and in-need populations, including younger disabled individuals with aids or other diseases.

The nutrition provisions in the Personal Responsibility Act certainly are *not* the solution. H.R. 4 combines into a massive block grant major Federal food assistance programs, including food stamps, school lunch, school breakfast, WIC, elderly nutrition, and the emergency food assistance program. Funding for many, if not all of these programs will be cut from their present levels. Let me turn now to some of the concerns I have with proposals to convert entitlement programs into block grants.

Using block grants to carry out present nutrition programs will not guarantee that the specific nutrition needs and problems that the Congress has identified will be addressed. For example, under block grants, States might devote insufficient attention to "high-need" students—namely, poor, disabled, and underprivileged children. Because those groups are not politically powerful, their needs may get compromised in the effort to divvy-up shrinking State resources. Block grants do not require States to serve the needs of specific target populations. The fact of the matter is that there are certain identifiable national problems that are of sufficient import to merit special programs at the Federal level.

Once the Federal Government writes the check to the States, it is difficult for Congress to determine whether Federal taxpayers are getting their money's worth. Because reporting and evaluation requirements for most block grants are so limited, Congress will have little information on program participation levels, implementation, and effectiveness.

The advocates for block granting programs that target vulnerable and needy populations have the burden of proof here. They must demonstrate that the needs of these targeted populations will be met more effectively under block grants than under current programs. As far as I am concerned, no one has yet made the case.

Mr. Chairman, I look forward to hearing from today's witnesses.

STATEMENT OF HON. GENE GREEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

Thank you, Mr. Chairman. Today we will discuss what effects the Personal Responsibility Act will have at the local level. From a recent USDA report, the State of Texas could lose 30 percent of the funding for nutrition programs. While I believe savings could be obtained by streamlining administrative costs, a savings of 30 percent is not in the realm of possibilities.

No one wants to send a child to school hungry. Studies from several groups have proven that nutrition programs save tax dollars in many forms such as Medicaid savings. Society profits from money used for nutrition programs. It may be a tired and overused cliche but we should not be "Penny wise and pound foolish."

Harris County, which I represent only a portion of, receives $418 million in food stamps with 24 percent of all children, or 211,096, in the county participating in the program. Over 5,800 children take advantage of the Head Start program in Harris County.

The WIC food program which many believe may be one of the most efficient Federal programs is included in PRA block grant proposal. In Harris County over 73,000 recipients in 1993 took part in health status monitoring, nutrition education, immunization screening and many other services provided through the WIC program. However, if funding is cut by 30 percent, this could mean a reduction of over 20,000 people being denied WIC services. Over 20,000 people, mostly children, could be denied help with coordinating other assistance programs, family crisis intervention, nutrition education, or immunization screening.

If we use the same savings estimates resulting from WIC spending as calculated by Mathematica Policy Research, Inc.'s 1991 study, a $2 million cut would actually shift cost of over $4.5 million in 1996 alone to the State of Texas through Medicaid.

We must work to save money overall, not simply continue to shift costs from one Federal program to another or shift the costs down to the States.

STATEMENT OF HON. PATRICK J. KENNEDY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF RHODE ISLAND

Thank you very much for providing me this opportunity to share my thoughts with the Economic and Educational Opportunities Committee concerning the proposal within the Personal Responsibility Act to create a nutrition block grant that would include senior nutrition programs.

As one who has just come off the campaign trail, I can personally vouch for the value of these programs and would like to share with you my grave concerns over the proposed block grant. If this proposal goes through, the vitality and integrity of two programs, which have gone a long way toward combating the problems of nutritional deficiency, declining health, and loneliness that too often mar the golden years of our seniors, would be severely threatened.

For many of my constituents their daily visit to a senior mealsite is often the centerpiece of their day. We are talking about more than just meals. These programs are the hub which connects the different spokes providing services to senior citizens. It is often the meal which draws seniors to the church or community center. Typically seniors arrive about 10 or 10:30 a.m. in the morning and stay well after lunch time—clearly they are in search of more than just a square meal. And thanks to these programs they find it—games, singing, dances, the very things which add quality to life.

Nationally more than 2.5 million seniors a year take part in the congregate meal program which serves about 135 million meals. In Rhode Island, 69 sites serve 19,249 seniors more than 715,000 congregate meals a year. Meals on Wheels delivers meals to 106 million frail and shut-in seniors each year. In Rhode Island alone, more than 5,100 seniors take part in the program, receiving more than half a million meals a year.

One reason these programs are so successful is that they are open. There is no means-test and there is no "welfare" stigma associated with them. By cutting total funding available and leaving the decision how to allocate shrinking funds to States, many may institute a means-test. For proud, independent seniors this may be enough to deter participation. Seniors who need help would end up staying home, possibly eating a less nutritious meal, and further isolating themselves. Additionally, the viability of senior centers, which rely on nutrition programs for survival would be threatened.

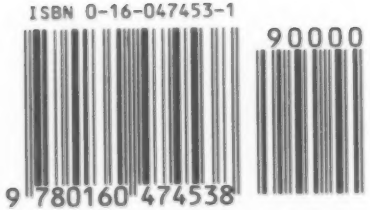
Even if a means-test is avoided in some States, these programs may be tagged with the stigma of welfare. By pulling non-welfare nutrition programs out of the

Older Americans Act and throwing them in a high-profile welfare reform bill designed to address social ills and fix a publicly discredited system, otherwise "innocent" programs my become "guilty by association." This is wrong and should not happen. It is not good policy, and it is simply not right.

When targeting these programs for cutbacks, we must consider what we will be losing. We will lose one more link in the fragile strand of preventive health programs we have carefully built over the years. These programs illustrate well the old adage that an ounce of prevention is worth a pound of cure. For example, we can provide a senior with home-delivered meals for a *full year* for the price of *one day* in a hospital.

When I returned to my district recently, I heard time and time again from seniors and their families about how much the meal site and home-delivered meal programs meant to them. This is one of the great shining examples of government working, and working the way it should. I urge you to carefully consider the impact including these programs in a block grant would have on the quality of life of our senior citizens.

Thank you very much for this opportunity to share my views with the committee.

92-373 - 95 (176)

ISBN 0-16-047453-1